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OF THE
PRESIDENTS



Gerald R.
Ford

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PUBLIC PAPERS OF THE PRESIDENTS
OF THE UNITED STATES

Gerald R. Ford

*Containing the Public Messages, Speeches, and
Statements of the President*

1975

(IN TWO BOOKS)

BOOK I—JANUARY 1 TO JULY 1, 1975



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FOREWORD

THIS VOLUME represents the 1975 record of my Administration, at home and abroad—speeches, messages, press conferences and major statements—documenting a momentous year of achievement.

These collected works demonstrate how the American people, in the first full year of my Presidency, found a new realism. We crossed the threshold from recession to restored economic progress, reducing the rate of inflation and creating a new spirit of self-confidence.

It was in this momentous year that we finally extricated ourselves from war in Southeast Asia and enjoyed the blessings of peace for the first time in more than a decade. Americans were finally at peace with the entire world and in harmony at home.

These documents tell the story of how a new era of national confidence began to take hold. The mood of our people improved in a manner inconceivable early in the previous year.

It was in this year that I journeyed to the far corners of the earth in search of peace—to Bonn, Helsinki, Rome, Peking, Manila and other capitals. I am proud of what our diplomacy achieved in stabilizing the world order, as these papers attest—in the Sinai withdrawal agreement between Israel and Egypt, and in other historic achievements. The year 1975 also marked the strengthening of our ties with the Atlantic Community and Japan.

As America moved toward its third century, we faced new challenges with new realism. These pages record the continuing American adventure in both domestic and foreign aspects. They contain the drama of 1975—the momentous prelude to our 200th anniversary.

Gerald R. Ford

PREFACE

IN THIS VOLUME are gathered most of the public messages and statements of the 38th President of the United States that were released by the White House during the period January 1–December 31, 1975. Volumes covering the Administrations of Presidents Truman, Eisenhower, Kennedy, Johnson, Nixon, and the first 3 years of President Hoover are also available.

The series was begun in 1957 in response to a recommendation of the National Historical Publications Commission. An extensive compilation of the messages and papers of the Presidents, covering the period 1789 to 1897, was assembled by James D. Richardson and published under Congressional authority between 1896 and 1899. Since then, various private compilations have been issued but there was no uniform publication comparable to the Congressional Record or the United States Supreme Court Reports. Many Presidential papers could be found only in the form of mimeographed White House releases or as reported in the press. The Commission therefore recommended the establishment of an official series in which Presidential writings, addresses, and remarks of a public nature could be made promptly available.

The Commission's recommendation was incorporated in regulations of the Administrative Committee of the Federal Register issued under section 6 of the Federal Register Act (44 U.S.C. 1506). The Committee's regulations, establishing the series and providing for the coverage of prior years, are reprinted as *Appendix D*.

CONTENT AND ARRANGEMENT

The text of this book is based on Presidential materials that were White House press releases, on material issued by the White House Press Office, and on transcripts of news conferences. Where available, original source materials, including tape recordings, have been used to protect against errors in transcription. The items are presented in chronological order.

The dates shown in the item headings are White House release dates. In instances where the date of the document differs from the release date, that fact is shown in the note immediately below the item heading. Textnotes, footnotes, and cross references have been supplied only where needed for purposes of identification or clarity.

Remarks or addresses were delivered in Washington, D.C., unless otherwise indicated, and all times shown are local time. Similarly, statements, messages,

Preface

and letters were released from the White House in Washington unless otherwise indicated.

Appendixes have been provided to cover special categories of Presidential issuances and actions, as noted below.

White House releases not included as items in this volume and not listed in later appendixes are listed in *Appendix A*.

A complete listing by number and subject of all proclamations, Executive orders, and similar documents required by law to be published in the Federal Register appears in *Appendix B* for the period covered by this volume.

The President is also required by law to transmit numerous reports to the Congress at fixed intervals. Those transmitted during the period covered by this volume are listed in *Appendix C*.

This series is under the direction of Fred J. Emery, Director, and Ernest J. Galdi, Deputy Director, of the Office of the Federal Register. Editors of this volume were Margaret M. Donohoe, Kenneth R. Payne, Wilma P. Greene, and Doris O'Keefe.

Photographs were made available through the White House Photo Office.

The typography and design of this volume was developed under the direction of Robert M. Worley of the United States Government Printing Office.

JAMES B. RHOADS

Archivist of the United States

JOEL W. SOLOMON

Administrator of General Services

May 1977

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| Attorney General..... | William B. Saxbe Edward H. Levi (February 7) |
| Secretary of the Interior..... | Rogers C. B. Morton Stanley K. Hathaway (June 13) Thomas S. Kleppe (October 17) |
| Secretary of Agriculture..... | Earl L. Butz |
| Secretary of Commerce..... | Frederick B. Dent Rogers C. B. Morton (May 1) |
| Secretary of Labor..... | Peter J. Brennan John T. Dunlop (March 18) |
| Secretary of Health, Education, and Wel- fare. | Caspar W. Weinberger David Mathews (August 8) |
| Secretary of Housing and Urban Develop- ment. | James T. Lynn Carla A. Hills (March 10) |
| Secretary of Transportation..... | Claude S. Brinegar William T. Coleman, Jr. (March 7) |

*Dates in parentheses indicate date sworn in.

Gerald R. Ford

1975

Statement on Signing the Privacy Act of 1974.

January 1, 1975

THE PRIVACY ACT of 1974, S. 3418, represents an initial advance in protecting a right precious to every American—the right of individual privacy.

I am especially happy to have signed this bill because of my own personal concern in the privacy issue. As Chairman of the Domestic Council Committee on the Right of Privacy, I became increasingly aware of the vital need to provide adequate and uniform privacy safeguards for the vast amounts of personal information collected, recorded, and used in our complex society. It was my objective then, as it is today, to seek, first, opportunities to set the Federal house in order before prescribing remedies for State and local government and the private sector.

The Privacy Act of 1974 signified an historic beginning by codifying fundamental principles to safeguard personal privacy in the collection and handling of recorded personal information by Federal agencies. This bill, for the most part, strikes a reasonable balance between the right of the individual to be left alone and the interest of society in open government, national defense, foreign policy, law enforcement, and a high quality and trustworthy Federal work force.

No bill of this scope and complexity—particularly initial legislation of this type—can be completely free of imperfections. While I am pleased that the [Privacy Protection Study] Commission created by this law has been limited to purely advisory functions, I am disappointed that the provisions for disclosure of personal information by agencies make no substantive change in the current law. The latter, in my opinion, does not adequately protect the individual against unnecessary disclosures of personal information.

I want to congratulate the Congressional sponsors of this legislation and their staffs who have forged a strong bipartisan constituency in the interest of protecting the right of individual privacy. Experience under this legislation, as well as further exploration of the complexities of the issue, will no doubt lead to continuing legislative and executive efforts to reassess the proper balance between the privacy interests of the individual and those of society. I look forward to a continuation of the same spirit of bipartisan cooperation in the years ahead.

My Administration will act aggressively to protect the right of privacy for every American, and I call on the full support of all Federal personnel in implementing requirements of this legislation.

NOTE: As enacted, S. 3418, approved December 31, 1974, is Public Law 93-579 (88 Stat. 1896). The statement was released at Vail, Colo.

2

Remarks Upon Signing the Trade Act of 1974.

January 3, 1975

Mr. Vice President, distinguished members of the Cabinet, Members of the Congress, including the leadership, ladies and gentlemen:

The Trade Act of 1974, which I am signing into law today, will determine for many, many years American trade relations with the rest of the world. This is the most significant trade legislation passed by the Congress since the beginning of trade agreement programs some four decades ago.

It demonstrates our deep commitment to an open world economic order and interdependence as essential conditions of mutual economic health. The act will enable Americans to work with others to achieve expansion of the international flow of goods and services, thereby increasing economic well-being throughout the world.

It will thus help reduce international tensions caused by trade disputes. It will mean more and better jobs for American workers, with additional purchasing power for the American consumer.

There are four very basic elements to this trade act: authority to negotiate further reductions and elimination of trade barriers; a mandate to work with other nations to improve the world trading system, and thereby avoid impediments to vital services as well as markets; reform of U.S. laws involving injurious and unfair competition; and improvement of our economic relations with non-market economies and developing countries.

Our broad negotiating objectives under this act are to obtain more open and equitable market access for traded goods and services, to assure fair access to essential supplies at reasonable prices, to provide our citizens with an increased opportunity to purchase goods produced abroad, and to seek modernization of the international trading system.

Under the act, the Administration will provide greater relief for American

industry suffering from increased imports and more effective adjustment assistance for workers, firms, and communities.

The legislation allows us to act quickly and to effectively counter foreign import actions which unfairly place American labor and industry at a disadvantage in the world market.

It authorizes the Administration, under certain conditions, to extend non-discriminatory tariff treatment to countries whose imports do not currently receive such treatment in the United States. This is an important part of our commercial and overall relations with Communist countries.

Many of the act's provisions in this area are very complex and may well prove difficult to implement. I will, of course, abide by the terms of the act, but I must express my reservations about the wisdom of legislative language that can only be seen as objectionable and discriminatory by other sovereign nations.

The United States now joins all other major industrial countries, through this legislation, in a system of tariff preferences for imports from developing countries. Although I regret the rigidity and the unfairness in these provisions, especially with respect to certain oil-producing countries, I am now undertaking the first steps to implement this preference system by this summer. Most developing countries are clearly eligible, and I hope that still broader participation can be possible by that time.

As I have indicated, this act contains certain provisions to which we have some objection and others which vary somewhat from the language we might have preferred. In the spirit of cooperation—spirit of cooperation with the Congress—I will do my best to work out any necessary accommodations.

The world economy will continue under severe strain in the months ahead. This act enables the United States to constructively and to positively meet challenges in international trade. It affords us a basis for cooperation with all trading nations. Alone, the problems of each can only multiply; together, no difficulties are insurmountable.

We *must* succeed. I believe we will.

This is one of the most important measures to come out of the 93d Congress. I wish to thank very, very generously and from the bottom of my heart the Members of Congress and members of this Administration—as well as the public—who contributed so much to this legislation's enactment.

At this point, I will sign the bill.

NOTE: The President spoke at 2:04 p.m. in the East Room at the White House.

As enacted, the bill (H.R. 10710) is Public Law 93-618 (88 Stat. 1978).

3

Memorandum of Disapproval of a Nurse Training Bill.*January 3, 1975*

[Dated January 2, 1975. Released January 3, 1975]

I HAVE withheld my approval from H.R. 17085, a bill that would amend Title VIII of the Public Health Service Act to provide support for the training of nurses.

This measure would authorize excessive appropriations levels—more than \$650 million over the three fiscal years covered by the bill. Such high Federal spending for nursing education would be intolerable at a time when even high priority activities are being pressed to justify their existence.

I believe nurses have played and will continue to play an invaluable role in the delivery of health services. The Federal taxpayer can and should selectively assist nursing schools to achieve educational reforms and innovations in support of that objective. The Administration's 1976 budget request will include funds for this purpose. Furthermore, I intend to urge the 94th Congress to enact comprehensive health personnel training legislation that will permit support of nurse training initiatives to meet the new problems of the 1970's.

This act inappropriately proposes large amounts of student and construction support for schools of nursing. Without any additional Federal stimulation, we expect that the number of active duty registered nurses will increase by over 50 percent during this decade.

Such an increase suggests that our incentives for expansion have been successful, and that continuation of the current Federal program is likely to be of less benefit to the Nation than using these scarce resources in other ways. One result of this expansion has been scattered but persistent reports of registered nurse unemployment, particularly among graduates of associate degree training programs.

Today's very different outlook is not reflected in this bill. We must concentrate Federal efforts on the shortage of certain nurse specialists, and persistent geographic maldistribution. However, this proposal would allocate less than one-third of its total authorization to these problems. Moreover, it fails to come to grips with the problem of geographic maldistribution.

Support for innovative projects—involving the health professions, nursing, allied health, and public health—should be contained in a single piece of legislation to assure that decisions made in one sector relate to decisions made in

another, and to advance the concept of an integrated health service delivery team. By separating out nursing from other health personnel categories, this bill would perpetuate what has in the past been a fragmented approach.

The enrolled bill would also extend various special nursing student assistance provisions of current law. Nursing students are overwhelmingly undergraduates, and as such should be—and are—entitled to the same types of student assistance available generally under the Office of Education's programs for post-secondary education. These include, in particular, guaranteed loans and basic educational opportunity grants for financially hard-pressed students. Categorical nursing student assistance activities are not appropriate and should be phased out, as the Administration has proposed.

GERALD R. FORD

The White House,
January 2, 1975.

4

Memorandum of Disapproval of a Milk Price Support Bill.

January 3, 1975

I AM withholding my approval from S. 4206, entitled "an act to provide price support for milk at not less than 85 per centum of the parity price therefore, and for other purposes."

This bill would require an immediate increase of \$1.12 per hundredweight in the support price for milk, to a record high of \$7.69. Thereafter, through March 31, 1976, further upward adjustments would be required every three months as necessary to reflect changes in the parity index and parity price for milk.

Such large increases in milk prices to producers would be highly inflationary to consumers and unnecessary. The initial increase alone would raise fluid milk prices to consumers by about 6 cents per half gallon of milk and require increasing CCC's [Commodity Credit Corporation] purchase price for cheese, and subsequently market prices, 11 or 12 cents per pound. Correspondingly large increases in the support purchase prices for butter and nonfat dry milk also would be required to carry out the higher support price for milk.

These significantly higher prices would be inconsistent with the Administration's continued and concerted efforts to combat inflation and its serious

effects on the Nation's economy. Moreover, such prices would ultimately be damaging to the dairy industry and milk producers.

Consumers are resisting prices they must now pay for milk and other dairy products. To artificially force prices still higher, as this legislation would do, would result in further declines in consumption and be a strong stimulus to excess milk production.

To further reduce the demand for milk and dairy products by the increased prices provided in this legislation would be detrimental to the dairy industry. A dairy farmer cannot be well served by Government action that prices his product out of the market. It also would be detrimental since the Government would be required to buy the large surpluses of manufactured dairy products which this legislation would generate. This would cost taxpayers more than \$400 million during the life of the bill.

It is clearly in the best interests of producers, consumers, taxpayers, and the Government that this legislation not be signed into law.

GERALD R. FORD

The White House,
January 3, 1975.

5

Statement on Signing a Bill Establishing Rules of Evidence in Federal Court Proceedings. *January 3, 1975*

I HAVE approved H.R. 5463, a bill establishing for the first time in our history uniform rules of evidence on the admissibility of proof in Federal court proceedings.

Enactment of this code culminates some 13 years of study by distinguished experts on the Federal judicial system. It will lend greater uniformity, accessibility, and intelligibility to Federal rules of evidence.

I salute the efforts of the Advisory Committee on Rules of Evidence and the Standing Committee on Rules of Practice and Procedure of the Judicial Conference of the United States, the Chief Justice and Associate Justices of the Supreme Court, the members of the Senate Committee on the Judiciary, the members of the House Subcommittee on Criminal Justice, and officials of the Department of Justice. Their joint efforts in a healthy spirit of compromise were essential to the completion of this new legal legislation.

NOTE: As enacted, H.R. 5463, approved January 2, 1975, is Public Law 93-595 (88 Stat. 1926).

6

Statement on Signing Bills Honoring Herbert Hoover and Harry S. Truman. *January 4, 1975*

I HAVE signed two bills that honor former Presidents Herbert Hoover and Harry S. Truman.

S. 1418, the Herbert Hoover memorial bill, authorizes the Secretary of the Treasury to make available \$7 million in matching grants to the Hoover Institution at Stanford University for the construction and equipping of a new memorial building. This memorial building will complete the Hoover Institution's library and research complex. The addition of this building will make the dream of Herbert Hoover in 1919, when the institution was founded, a reality. With expanded facilities, the institution will be strengthened as a national and international center for advanced research on the problems of the 20th century. It will make available to scholars and students from each of our States and every country in the world the research facilities essential to academic scholarship.

S. 3548, the Harry S Truman Memorial Scholarship Act, establishes a \$30 million fund in the United States Treasury. These proceeds will be used by the Truman Foundation to provide 4-year college scholarships on a competitive basis to outstanding students interested in public service careers. There is no fixed number of scholarships, but at least one must be awarded in each State where there is a qualified applicant.

The Herbert Hoover memorial bill and the Harry S Truman Memorial Scholarship Act create living memorials to two Presidents and honor their many years of extraordinary and selfless public service. I am privileged to sign the Hoover and Truman memorial legislation.

NOTE: As enacted, S. 1418, approved January 2, 1975, and S. 3548, approved January 4, 1975, are Public Law 93-585 (88 Stat. 1918) and Public Law 93-642 (88 Stat. 2276), respectively.

7

**Statement on Signing the Speedy Trial Act of 1974.
*January 4, 1975***

I HAVE given my approval to S. 754, the so-called Speedy Trial Act of 1974. I have done so, however, with some reservations.

I fully endorse the goal of speedy justice, but I am concerned about the sanctions imposed by the bill. If its time limits are not met, section 3162 provides for dismissal of the indictment and permits the trial judge to decide whether a subsequent reindictment would be permitted. I believe that dismissal without precluding reindictment would constitute an ample sanction to insure that prompt trials do take place. I hope that the sound discretion of our Federal district court judges will minimize the possibility that a defendant will be unnecessarily exonerated from punishment for a serious offense without ever having undergone a trial.

I also take this opportunity to call for prompt Congressional action on the recommendation of the Judicial Conference of the United States for the creation of 51 additional Federal district court judgeships in 33 separate judicial districts across the country. This measure recognizes that justice delayed is too often justice denied. However, without a commitment to meet the increased demands which the bill will impose on our Federal judiciary, as well as prosecutors, its benefits become transparent.

The Judicial Conference recommendation was advanced in 1972, and Senate hearings incorporating the proposal were conducted in 1973. To date, however, this legislation has not been scheduled for action. I hope that it will be a priority item for the 94th Congress.

NOTE: As enacted, S. 754, approved January 3, 1975, is Public Law 93-619 (88 Stat. 2076).

8

Statement on Signing the Deepwater Port Act of 1974. *January 4, 1975*

I HAVE approved H.R. 10701, the Deepwater Port Act of 1974.

Since taking office, I have urged on several occasions that the Congress give high priority to our executive branch request for legislation dealing with deepwater ports. I considered this an important step in our national effort to provide an adequate supply of energy at reasonable prices, and I therefore commend the 93d Congress for completing work on the measure before adjournment.

Deepwater ports can provide the safest, most efficient, and least expensive means for transporting petroleum supplies that we obtain from foreign sources. This act establishes the necessary legal framework for licensing the construction and operation of port facilities in naturally deep water distant from our coastlines, where supertankers can unload their cargo into underwater pipelines.

Because of their immense capacity, supertankers can reduce by nearly one-third the cost of hauling a barrel of oil. The use of deepwater ports also reduces the danger of oil spills, since fewer conventional tankers would be required to deliver oil to our crowded inshore harbors. Our existing ports are not deep enough to handle supertankers safely, and dredging existing ports can be very expensive as well as environmentally undesirable.

The Deepwater Port Act is a significant addition to our program for supplying the Nation's energy needs. I am pleased to be able to sign it into law as one of my first acts of the new year.

NOTE: As enacted, H.R. 10701, approved January 3, 1975, is Public Law 93-627 (88 Stat. 2126).

9

Statement on Signing the Transportation Safety Act of 1974.

January 4, 1975

I AM SIGNING into law H.R. 15223, the Transportation Safety Act of 1974. This bill will make revisions to laws concerning the transportation of hazardous materials, authorize funds for rail safety enforcement and research, and make the National Transportation Safety Board (NTSB) a completely independent agency.

This bill will expand the powers of the Department of Transportation to regulate the safe transportation of hazardous materials. While this expansion of powers goes against my general goal of reducing Federal regulation where possible, I recognize the problems that have existed in the past with the handling of hazardous materials. That concern has led me to approve the bill because of the significant dangers associated with handling these materials and the possible effects on people living near transportation facilities.

I remain committed, however, to the principle of maintaining the minimum possible Federal involvement in matters that are best handled by State, local, or private authorities and the elimination of unnecessary regulation. I am directing the Secretary of Transportation to implement this bill in such a way as to ensure the public safety, while at the same time not putting any unnecessary burden or paperwork on our Nation's industry and trade. I think regulations on hazardous materials can be enforced in a way to meet both these objectives.

Travel in the United States will be safer because of Federal actions which will be taken under this new law. However, the Congress and the Executive

also have the responsibility to ensure that expenditures of the taxpayer's dollars are kept to an absolute minimum and that only the most most necessary new Federal programs are pursued. This requires the President and the Congress to carefully review the total Federal budget and not each item separately. H.R. 15223 requires NTSB to submit its budget and legislative recommendations directly to the Congress. This severely limits my ability to view these recommendations in the context of the overall budgets and their effect on the economy, in public borrowing, and other considerations.

Although I have signed H.R. 15223 into law because it will improve transportation safety, I will ask Congress to correct this unacceptable budget and legislative submission provision.

NOTE: As enacted, H.R. 15223, approved January 3, 1975, is Public Law 93-633 (88 Stat. 2156).

10

Statement on Signing the Indian Self-Determination and Education Assistance Act. *January 4, 1975*

I HAVE signed into law S. 1017, the Indian Self-Determination and Education Assistance Act. My Administration is committed to furthering the self-determination of Indian communities without terminating the special relationships between the Federal Government and the Indian people.

The Congress is to be congratulated for its passage of this legislation. It will enhance our efforts to implement this policy of Indian self-determination.

Title I of this act gives the permanence and stature of law to the objective of my Administration of allowing—indeed encouraging—Indian tribes to operate programs serving them under contract to the Federal Government. Furthermore, with the passage of this act, Indian communities and their leaders now share with the Federal Government the responsibility for the full realization of this objective. It will be through the initiatives of Indian communities that the authorities provided in this act will be implemented. I urge these communities to make the fullest possible use of them and pledge the support of this Administration.

In addition to making this kind of contracting a right, the act does much to make it feasible and practical. For example, it authorizes the Bureau of Indian Affairs to make grants to tribal organizations to help them develop the abilities of potential workers—through training and other means—to operate these programs. At the request of the tribe, it also allows Federal employees who work

in programs transferred to tribal operation to continue working without losing Federal fringe benefits, thus making it possible for the tribe to begin operation with a nucleus of experienced employees.

The granting authority provided in this act can also be used to strengthen tribal governments and tribally-funded programs.

Title II, the Indian Education Assistance Act, amends the Johnson-O'Malley Act to give the Indian community a stronger role in approving or disapproving the use of funds for children in public schools. It also provides for better planning in the use of these funds to meet the educational needs of the Indian students.

The enactment of this legislation marks a milestone for Indian people. It will enable this Administration to work more closely and effectively with the tribes for the betterment of all the Indian people by assisting them in meeting goals they themselves have set.

NOTE: As enacted, S. 1017, approved January 4, 1975, is Public Law 93-638 (88 Stat. 2203).

11

Statement on Signing the Federal-Aid Highway Amendments of 1974. *January 4, 1975*

I AM SIGNING S. 3934, the Federal-Aid Highway Amendments of 1974.

This bill contains three energy-related provisions which I find highly desirable. First, it will establish 55 miles per hour as the national speed limit on a permanent basis. This limit has proven to be of great value in not only saving fuel but in decreasing the loss of life on our highways.

Second, this bill will extend the carpooling demonstration program for 1 year, until December 31, 1975. This program provides funds to States and localities to encourage the use of carpools. The Department of Transportation has estimated that it could save this country 5 billion gallons of gasoline a year. In addition, it will reduce air pollution and urban congestion.

Third, the bill will increase the allowable weights for trucks on interstate highways. Largely because of the lower speed limit, many truckers have found themselves in an economic bind, with decreased productivity. This modest increase in allowable truck weights should help them regain that productivity, without threatening public safety on the highways.

Unfortunately, the bill would also make many undesirable changes in the highway programs. For one, it would provide \$347 million in additional

authorizations for existing highway programs and \$405 million for new categorical grants. Of these amounts, more than \$500 million in contract authority would be available to States without further action by the Congress.

Since funds for many of the existing programs are already being deferred, these extra authorizations are not needed. Approving these funds at this time would not only be unnecessary but highly inflationary as well. In addition, one of the objectives of this Administration is reduce or eliminate categorical grants. This bill provides authorizations for numerous new categorical grant programs. Accordingly, I will recommend to Congress that release of most of this highway obligational authority be deferred for 1975. I hope Congress will agree with this plan.

The 94th Congress and the Administration must work together to develop a highway program for this decade which is compatible with our national transportation and economic objectives. I will work with the Congress to develop such a program.

NOTE: As enacted, S. 3934, approved January 4, 1975, is Public Law 93-643 (88 Stat. 2281).

12

Statement on Signing the Headstart, Economic Opportunity, and Community Partnership Act of 1974. *January 4, 1975*

I SIGNED into law H.R. 14449, the Headstart, Economic Opportunity, and Community Partnership Act of 1974, a bill which continues the Community Action program under a new agency, the Community Services Administration.

Although I have many reservations about features of this bill, I am signing it because the measure is probably the best compromise we can hope to obtain. The deadlock that has continued for several years between the executive branch and the Congress regarding the future of the Community Action program and the existence of a separate Office of Economic Opportunity had to be broken.

This bill authorizes the transfer of a successor agency into the Department of Health, Education, and Welfare. While I would have preferred to end direct Federal financial assistance to community action agencies, the Congress, in this bill, has taken a significant step in the right direction. It has gradually scaled down the Federal funding for these agencies and included the Community Action program in the transfer to HEW.

I believe strongly that Federal social and economic assistance programs

should be developed and operated with great sensitivity to the needs of the poor. But I also feel strongly that those needs will be better served when programs that benefit the disadvantaged are considered and managed together.

To this end, I have ordered the development of a reorganization plan, as authorized by this bill, for my review.

I am also considering sending to the Congress proposals that will eliminate unnecessary organizational impediments contained in this measure. These proposals would assure more orderly and efficient management of Federal programs to aid the poor.

Finally, to avoid waste of effort that might occur, I will not seek funding for duplicate program authorities provided in the enrolled bill.

I applaud the efforts of the Congress in helping bring to an end the stalemate over this legislation. I look forward to making these programs an effective part of our overall effort to serve the real needs of the disadvantaged.

NOTE: As enacted, H.R. 14449, approved January 4, 1975, is Public Law 93-644 (88 Stat. 2291).

13

Statement on Signing a Bill Establishing the Lowell Historic Canal District Commission. *January 4, 1975*

I HAVE approved H.R. 14689, a bill "to provide for a plan for the preservation, interpretation, development, and use of the historic, cultural, and architectural resources of the Lowell Historic Canal District in Lowell, Massachusetts, and for other purposes."

This legislation establishes a nine-member commission for the purposes outlined with an authorization of \$150,000 to support the work of the commission.

In signing this bill into law, I associate myself fully with the view of the House Interior Committee that "Congress would be required to take additional affirmative action before any federal commitment to the implementation of the plan would be made."

This view makes it clear that none of the provisions of this bill, or its authorization of Federal funds to support the work of the commission, constitutes any commitment to future Federal funding or participation in the Canal District project. Enactment of the bill does not alter the criteria determining whether Federal support will be provided areas such as the Lowell Historic Canal District.

In my judgment, the foregoing considerations should guide the commission in the preparation of its plan, and I have approved the measure on that basis.

NOTE: As enacted, H.R. 14689, approved January 4, 1975, is Public Law 93-645 (88 Stat. 2330).

14

Statement on Signing the Social Services Amendments of 1974. *January 4, 1975*

ALTHOUGH I have signed H.R. 17045, I am pleased with most of its provisions but concerned about others.

The provisions concerning the Federal-State partnership program for social services successfully concludes many long months of negotiations among the Congress, the Department of Health, Education, and Welfare, Governors, State administrators, and spokesmen for producers and consumers. Ending a long impasse, the efforts of all exemplify my call for communication, cooperation, conciliation, and compromise when I assumed the office of President.

The second element of this bill involves the collection of child support payments from absent parents. I strongly agree with the objectives of this legislation.

In pursuit of this objective, however, certain provisions of this legislation go too far by injecting the Federal Government into domestic relations. Specifically, provisions for use of the Federal courts, the tax collection procedures of the Internal Revenue Service, and excessive audit requirements are an undesirable and an unnecessary intrusion of the Federal Government into domestic relations. They are also an undesirable addition to the workload of the Federal courts, the IRS, and the Department of Health, Education, and Welfare Audit Agency. Further, the establishment of a parent locator service in the Department of Health, Education, and Welfare with access to all Federal records raises serious privacy and administrative issues. I believe that these defects should be corrected in the next Congress, and I will propose legislation to do so.

I am particularly pleased that this legislation follows a desirable trend in Federal-State relations. It will improve the results of programs previously hampered by unrealistic assumptions of Federal review and control. Those decisions related to local conditions and needs will be made at the State level, while Federal responsibilities are clearly delineated. Indeed, the interests of not only the Federal and State governments but also producers and consumers are recognized and protected.

I also believe that this new legislation significantly improves program accountability and focuses funds on those most in need of services.

In summary, I regard the social services provisions as a major piece of domestic legislation and a significant step forward in Federal-State relations.

NOTE: As enacted, H.R. 17045, approved January 4, 1975, is Public Law 93-647 (88 Stat. 2337).

15

Memorandum of Disapproval of a Bill To Extend Funding for Rural Environmental Programs. *January 4, 1975*

[Dated January 3, 1975. Released January 4, 1975]

I AM withholding my approval from S. 3943, a bill "to extend the time for using funds appropriated to carry out the 1973 Rural Environmental Assistance Program and the 1974 Rural Environmental Conservation Program."

The bill would extend from December 31, 1974, to December 31, 1975, the time within which farmers may request and receive approval of cost-sharing assistance under the 1973 Rural Environmental Assistance Program (REAP) and the 1974 Rural Environmental Conservation Program (RECP). In total, this bill would make \$125,000,000 available to farmers for water and soil conservation practices which would otherwise not be available beyond December 31, 1974.

In my judgment, this bill is not necessary because sufficient cost-share funds have been made available for producers to finance sound conservation practices. Those producers interested in these programs have had adequate time to request and receive approval of these cost-share funds by the end of December 1974. I understand that those farmers, who have started approved conservation practices during the allotted time and were unable to complete them because of weather or other uncontrollable circumstances, will be permitted to complete these practices and receive cost-sharing assistance during 1975.

This Administration shares the view that REAP and RECP have made important contributions to conservation and the rural environment. However, the programs have long ago achieved their objectives. These programs were initiated in the 1930's to supplement farmers' incomes and provide incentives to farmers to install soil and water conservation practices. They were successful in demonstrating the value of conservation as a good farming practice. Many of the practices supported by the programs are profitable without Federal assistance

and the supplementary income from this source has diminished in importance at a time when net farm income is near an all-time high.

It is, therefore, my earnest opinion that this bill is both unnecessary and unjustified, and on that basis I withhold my approval.

GERALD R. FORD

The White House,
January 3, 1975.

16

**Memorandum of Disapproval of a Bill To Restrict Imports
of Filbert Products. *January 4, 1975***

[Dated January 3, 1975. Released January 4, 1975]

I AM withholding my approval from H.R. 2933, a bill which would amend the Agricultural Marketing Agreement Act to make existing grade and quality restrictions on certain imported commodities applicable to imported filberts.

In my judgment, the bill would be unfair to the American consumer and the American farmer, as well as prejudicial to the interests of American trade policy.

H.R. 2933 would be unfair to the consumer because it could unnecessarily increase prices for filbert products. Existing law already requires all imported foodstuffs to meet health standards prescribed under the Food and Drug Act.

The bill could also produce unfair consequences for the farmer by causing the loss of some of his important markets abroad. It could result at best in comparatively limited benefits for domestic producers while risking retaliation from abroad against the larger volume of other products exported by our farmers.

Finally, the bill would be prejudicial to our trade policy because it would be inconsistent with our obligations under the General Agreements on Tariffs and Trade. It would erect a non-tariff trade barrier at a time when we are trying to persuade other nations to dismantle theirs.

Although there are other commodities which are subject to the same statutory restrictions that H.R. 2933 would impose on filberts, no new commodities have been included in that list since January of 1971. I cannot in good conscience support the addition of a new commodity just after signing into law the new Trade Act which has a major aim of eliminating non-tariff trade barriers.

January 4

Gerald R. Ford, 1975

[18]

For the foregoing reasons, I am compelled to withhold my approval from H.R. 2933.

GERALD R. FORD

The White House,
January 3, 1975.

17

**Memorandum of Disapproval of a Bill To Name a
Federal Building in Grand Rapids, Michigan, for the
President. *January 4, 1975***

I HAVE today vetoed H.R. 11897, a bill which would name the United States Courthouse and Federal Office Building in Grand Rapids, Michigan, the "President Gerald R. Ford Federal Office Building."

Although I appreciate the honor expressed by the Congress in enacting this legislation, I intend to continue the policy of past Administrations that the executive branch not endorse the naming of Federal office buildings. Generally, the executive branch has deferred to the desires of the Congress on such matters.

However, I know of no Federal office buildings that have been named for a President while still in office. This legislation might begin a precedent I believe it best not to establish.

The proposed naming of this facility for me in my home community is a great honor, and one for which I am deeply grateful; however, for the reasons I have assigned above I feel I cannot sign H.R. 11897.

GERALD R. FORD

The White House,
January 4, 1975.

18

**Memorandum of Disapproval of a Maritime Administration
Appropriations Bill. *January 4, 1975***

I AM withholding my approval from H.R. 13296, a bill to authorize appropriations for the Maritime Administration.

This is the annual appropriations authorization bill for certain activities of the Maritime Administration in the Department of Commerce. I would be pleased to approve the measure if it were limited to those authorizations.

Unfortunately, the Congress added an unacceptable amendment which would require the Federal Government to reimburse U.S. flag fishing vessel owners for damage to their equipment by foreign flag ships.

The amendment would require the Secretary of Commerce to provide interest free loans to fishermen to cover the property and the value of produce lost as a result of damage caused by foreign vessels operating in the area of the U.S. Continental Shelf. If an ensuing investigation proved the loss was caused solely by a foreign ship, the loan repayment would be cancelled and the United States would attempt to recover claims from the government of the foreign national involved. The program would be retroactive to January 1, 1972, for claims already filed.

This indemnity program would pose serious problems of administration because it would be difficult to establish responsibility for any damage caused. Furthermore, since the bill provides no basis for advance review of the recipient's financial ability to repay a loan, the Commerce Department could find itself in the position of holding a group of "bad debts". At the same time, claims for damage would be difficult to validate and the result would essentially be a grant program with few effective restraints.

Moreover, this program sets a precedent for the Federal relief of private parties from the actions of foreign nationals. Currently, relief is extended only to fishermen whose vessels are the victims of actions by foreign governments beyond recognized territorial limits. International procedures now exist through which claims against foreign nationals can be asserted and adjudicated and these should be used in preference to a Federal indemnity program.

I urge the Congress to pass once again the appropriations authorizations provisions of the bill early in the next session. Meanwhile, the programs covered by these authorizations and funded by appropriations already enacted can be continued under the continuing resolution which runs through February 28, 1975.

GERALD R. FORD

The White House,
January 4, 1975.

19

**Statement Announcing Establishment of a Commission on
CIA Activities Within the United States. *January 4, 1975***

I HAVE today established a commission to ascertain and evaluate any facts relating to activities conducted within the United States by the Central Intelligence Agency that give rise to questions as to whether the Agency has exceeded its statutory authority. I will soon be naming a distinguished group of members to serve on this "blue ribbon" panel.

In the world in which we live, beset by continuing threats to our national security, it is vital that we maintain an effective intelligence and counterintelligence capability. This capability is fundamental in providing the safeguards that protect our national interests and help avert armed conflict. The Central Intelligence Agency has had a notable record of many successes in this field, but by the nature of its operations, such successes and achievements cannot be divulged publicly.

It is essential in this Republic that we meet our security requirements and at the same time avoid impairing our democratic institutions and fundamental freedoms. Intelligence activities must be conducted consistently with both objectives.

To that end, in addition to asking the panel to determine whether the CIA has exceeded its statutory authority, I have asked the panel to determine whether existing safeguards are adequate to preclude Agency activities that might go beyond its authority and to make appropriate recommendations. The Commission will immediately have the benefit of the report already furnished to me by Director W. E. Colby of the CIA. The Justice Department is, of course, also looking into such aspects of the matter as are within its jurisdiction.

I am aware of current plans of various committees of the Congress to hold hearings on matters similar to those which will be addressed by the Commission. Whether hearings are undertaken by existing oversight committees, or should the Congress deem a joint House-Senate committee to be the best approach to avoid a proliferation of hearings, it is my strong hope that the committees consider the findings and recommendations of the Commission.

I am confident that through the cooperative efforts of the executive branch, particularly by the new Commission, and of the Congress, the results will be beneficial both to our national security and to the traditions and institutions of this Republic.

Moreover, I am writing to those department and agency heads who are responsible for the overall intelligence activities of the United States as related to our national security and to the conduct of our foreign policy, for the purpose of emphasizing that they are at all times to conduct their activities within the scope of their respective statutory authorities.

NOTE: On the same day, the President signed Executive Order 11828 establishing a Commission on CIA Activities Within the United States.

On January 5, 1975, the White House released an announcement of the President's appointment of the Chairman and members of the Commission.

They were: Vice President Nelson A. Rockefeller, Chairman; John T. Connor; C. Douglas Dillon; Erwin N. Griswold; Ronald Reagan; Lyman L. Lemnitzer; Edgar F. Shannon; and Joseph Lane Kirkland.

20

Memorandum Establishing a Domestic Council Committee on Illegal Aliens. *January 6, 1975*

Memorandum for the Domestic Council: Secretary of State, Secretary of the Treasury, Attorney General, Secretary of the Interior, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development, Secretary of Transportation, Assistant to the President Baroody, Director, Office of Management and Budget, Chairman, Council of Economic Advisers, Chairman, Council on Environmental Quality, Administrator of the Environmental Protection Agency, Director, ACTION

Subject: Domestic Council Committee on Illegal Aliens

I am today establishing a new Domestic Council Committee on Illegal Aliens. This Committee will develop, coordinate and present to me policy issues that cut across agency lines to provide better programs for dealing with this National problem. The Attorney General will serve as the Chairman of this Committee. The membership of the Committee will consist of the Secretary of State, Secretary of the Treasury, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, Secretary of Health, Education, and Welfare, Assistant to the President Baroody, and the Director of the Office of Management and Budget.

GERALD R. FORD

21

Memorandum of Disapproval of a Bill To Increase Federal Civilian Travel Expense Allowances. *January 6, 1975*

[Dated December 31, 1974. Released January 6, 1975]

I HAVE withheld my approval from S. 3341, the "Travel Expenses Amendments Act of 1974."

This bill would raise the maximum per diem allowance and mileage rates for civilian Government employees traveling on official business. I endorse this proposal. Unfortunately, a provision was added to the bill which would establish a rigid system of mileage reimbursement to the disabled veteran—with no discretionary authority for payment of a lesser amount where justified when the veteran was authorized to travel for treatment.

This provision assumes that there are great similarities in the travel situations of Veterans Administration beneficiaries and Federal employees who are away from home on Government business. This is not the case, however. Generally, a short span of time and distance is involved in VA beneficiary travel to a facility for vocational rehabilitation, counseling and health care, while Government employees may be traveling for days or weeks at a time. The employee per diem is designed to pay for necessary living expenses during this period, including those of lodging and meals.

Under this bill, Government employees using their privately owned vehicles may be reimbursed at the minimum 15¢ per mile, or at a rate comparable to the cost to the Government if the employee used a Government-owned vehicle. This flexibility would be continued for Government employee travel under the bill passed by the Congress. However, such management flexibility would not be applicable to travel of VA beneficiaries. The result would be the required payment of unwarranted mileage rates that would add an estimated \$25 million a year to the VA budget.

The Administration will ask the 94th Congress for a new bill to raise the maximum per diem and mileage rates for Federal employees which have been inadequate for some time. Many Federal employees who are required to travel in connection with their work have suffered considerable out-of-pocket expenses in recent years. This should be rectified as soon as possible.

GERALD R. FORD

The White House,
December 31, 1974.

22

Remarks at the Annual Honors Luncheon of the National Collegiate Athletic Association. January 7, 1975

Dr. Chapman, Art Linkletter, distinguished honorees, ladies and gentlemen:

At the outset, let me congratulate John, Pat, Randy, Jarrett, and Tony for their outstanding athletic record and their superb achievements in the field of academic standing. And I wish each and every one of you the very best as you begin your career on behalf of yourself and your country.

And may I say to Bob Folsom, Billy Jones, Bill Keating, Ralph O'Brien, and Captain Ryan the very best to you for what you have done, the records you have made, and I wish you, along with the others, the very, very best.

Dr. Chapman, may I most sincerely thank you for this award and for the good will and the good wishes that it represents. It will always occupy a very honored position in my office, in my life, and obviously, in my memories. I am most grateful.

I want you to know that I feel very much at home here today, because if you stop to think about it, the athletic director of any college and the President of the United States have a great deal in common: we both need the talent; we both need the cooperation of others if we are going to succeed; we both get a lot more criticism for the losses than we get credit for the wins; we both buy aspirin by the six-pack; and we both have a certain lack of performance [permanence] in our jobs. [*Laughter*]

As one coach put it to me—I was talking to one of them recently—he didn't so much mind the fact that his name on the office door was written in chalk, it was that big, wet sponge that was hanging beside it. [*Laughter*]

But I am sure I don't have to tell any of you, in this audience particularly, the problems of being an athletic director or head coach. For instance, I see my good friend Bear Bryant¹ down here. I was talking to Bear and he said, "We both had the very same experience on New Year's Day." I said, "How is that possible? I was skiing and you were at the Orange Bowl." He said, "That is what I mean. We both hit the top, and after that it was all downhill." [*Laughter*]

You know, I think Alabama played a superb ball game, but Notre Dame just seemed to have something a little extra. You could tell, as I watched it anyhow, that Notre Dame was feeling pretty confident. I heard later they brought in Earl Butz to give the blessing. [*Laughter*]

¹ Head coach of the University of Alabama football team.

It was once said that many of Britain's battles were won on the playing fields of Eton. We could also say—and I think those of us who have had the experience can say it with great conviction—that amateur athletics has developed much of the muscle that has built and defended and will continue to defend this country.

And though a young person might not go to college, no youngster grows up in America today without some competitive sport. Sports are not only a preparation for life, their spirit is part of the very essence of the American competitive system.

We have a saying in my old home State of Michigan, Mark.² As the lakes, rivers, and ponds freeze over, the sight of eager children skimming over the ice is a very common one. And if you asked a young boy or a young girl how he or she ever learned to ice skate, the answer out our way is very, very simple: "I got up when I fell down."

It is my judgment that we have got to get "up" here in America. As a nation, we must be physically and mentally fit, because the times demand that we not only compete but that we excel. And we must do it with enthusiasm, the enthusiasm found more prominently on the fields of sport.

Emerson once said, "Nothing great was ever achieved without enthusiasm." This is a time for greatness in our Nation and especially for enthusiasm.

In this spirit, Dr. Chapman, I accept the National Collegiate Athletic Association's 1975 Theodore Roosevelt Award. I accept it not for what I might have achieved in the past, but for what I will strive to accomplish with the help of all Americans in the future.

Thank you very much.

NOTE: The President spoke at 1:57 p.m. in the Sheraton-Park Room at the Sheraton-Park Hotel. In his opening remarks, he referred to Dr. Alan J. Chapman, president of the National Collegiate Athletic Association, and entertainer Art Linkletter, master of ceremonies. Dr. Chapman presented the President with the association's Theodore Roosevelt Award, given annually to a distinguished citizen who participated in varsity athletics in college.

Also honored at the dinner were John R. Baiorunos, Patrick C. Haden, Randy L. Hall, Jarrett T. Hubbard, and Tony G. Waldrop, the top five senior student-athletes of 1974; Robert S. Folsom, Billy M. Jones, William J. Keating, Ralph E. O'Brien, and Comdr. Philip J. Ryan, USN, former student-athletes who received awards for career achievement; and 80 student-athletes who received postgraduate scholarships.

² Marcus L. Plant, professor of law at the University of Michigan and president of the NCAA 1967–69.

23

Statement Announcing Intention To Nominate Elliot L. Richardson To Be Ambassador to Great Britain.*January 9, 1975*

IT IS WITH special pleasure that I announce today my intention to nominate Elliot Lee Richardson of Massachusetts as Ambassador to Great Britain.

I have known and worked with Elliot Richardson since he first joined the Eisenhower Administration as Assistant Secretary of Health, Education, and Welfare. Since that time, his record of public service both in Massachusetts and successively as Under Secretary of State, Secretary of HEW, Secretary of Defense, and as Attorney General has been one of extraordinary achievement. I have the highest regard for him, for his intelligence, and for his total commitment to public service.

Elliot Richardson's record of public service is truly remarkable. In World War II, he enlisted in the United States Army and served in the European theater. He landed with the 4th Infantry Division on D-day in Normandy and was awarded the Bronze Star Medal for heroic service and the Purple Heart with Oak Leaf Cluster. Upon graduation from Harvard Law School in 1947, where he was president of the Law Review, he served as law clerk first to Judge Learned Hand and then to Supreme Court Justice Felix Frankfurter. In 1953 and 1954, he served as legislative assistant to the chairman of the Senate Armed Services Committee, Senator Leverett Saltonstall. By appointment of President Eisenhower, he served as Assistant Secretary and Acting Secretary of HEW in the period 1957 to 1959. From 1959 to 1961, he served as United States Attorney for Massachusetts and Special Assistant to the Attorney General of the United States. In 1964, he was elected Lieutenant Governor of Massachusetts, and in 1966, he was elected Massachusetts Attorney General, from which position he came to Washington in 1969 to serve in four Cabinet departments.

The United Kingdom is an old ally to whom the United States is bound by profoundly intimate ties of history and strategic interest. It has therefore been our practice to consult with the United Kingdom on a broad range of negotiations and other matters affecting our relations with each other as well as with the Western alliance. As our Ambassador to the Court of St. James, Elliot Richardson will continue this practice. Both Secretary Kissinger and I shall seek his wise counsel on these and other subjects.

I warmly welcome Elliot Richardson back into the service of our country and am confident that he will represent America with the highest distinction.

24

**Remarks Upon Establishing the National Commission
on the Observance of International Women's Year, 1975.**

January 9, 1975

Mr. Vice President, members of the Cabinet, ladies and gentlemen:

Let me at the outset thank all of the distinguished guests for being here on this auspicious occasion today.

Since most Executive orders are handled in a rather routine way, it is sometimes easy to overlook their particular significance. But this one, as you can see, has a very special significance.

This order creates a National Commission to observe International Women's Year in 1975. The activities generated by this Commission will reinforce our continuing national commitment to women's rights.

This event officially marks another step in our Nation's efforts and efforts around the world, for that matter, to improve the educational, economic, and social status of women.

The dramatic advances women have made—in politics, sports, business, science, and other areas of endeavor—are finally receiving the attention that they deserve. The gains demonstrate very real progress.

But headlines do not guarantee that all barriers are down. The equal rights amendment, which I wholeheartedly endorse, has not yet been ratified by the number of States necessary to make it a part of our Constitution. Let 1975, International Women's Year, be the year that ERA is ratified.

In the meantime, we will continue to explore legal inequities between sexes that can be changed by legislation. The gains of the past, of course, must be consolidated, but we must also break new ground.

Breaking such ground means more than headline news of the first woman to chair a national political party or the first woman airline pilot. It means equal pay for equal work for the one woman of every three workers in the world labor market. It means educational and social opportunities for women of all nationalities.

Equality for women is one objective of International Women's Year; another

is integration of women into the social and economic development of all nations; and third, recognition of women's increasing contributions to world peace.

The relationship between the improved economic and educational status of women and the improvement of communities in which they live is very, very clear. Where women are held back, their families are held back.

The vast potential of women has only been partially explored. Opening up new doors to approximately half the world's population is vital to solving many of our international problems.

When we discuss women's problems, we are talking about people's problems. Women's liberation is truly the liberation of all people.

Robert Frost once described failure as "nothing to look backward to with pride, and nothing to look forward to with hope." Women who are pressing for their rightful place in society can do both—look back in pride and forward in hope.

America's women are now in the frontlines of our national effort to rekindle the spirit of our revolution—a spirit that, just 1 year short of our 200th birthday as a nation, still says all people are created equal, a spirit concerned about the reality of those words.

International Women's Year is not just for women. It is for all people dedicated to seeing that the highest potential of each human being is fully achieved.

I hope the Commission, which I will name together with leaders of the Congress, will infuse the Declaration of Independence with new meaning and promise for women here as well as around the world.

Before I sign this, Betty, if you have any words of wisdom or encouragement, you are welcome to speak.

MRS. FORD. I just wanted to congratulate you, Mr. President. I am glad to see you have come a long, long way. [*Laughter*]

THE PRESIDENT. I don't know how to take that. [*Laughter*]

[*At this point, the President signed Executive Order 11832, establishing the Commission.*]

May I simply add, the women here, along with countless thousands of others, have made this possible. And the efforts of these, as well as literally millions around the world, will make this a successful International Women's Year.

We on the other side of the spectrum—us men—applaud your efforts, and we urge you to continue in this very important effort.

Thank you very much.

NOTE: The President spoke at 2:07 p.m. in the Cabinet Room at the White House.

On April 2 and April 14, 1975, the White House released announcements of the

members of the Commission. The announcements are printed in the Weekly Compilation of Presidential Documents (vol. 11, pp. 326 and 377).

25

Remarks at the Annual Awards Dinner of the American Football Coaches Association. January 9, 1975

Thank you very much, Bob. Gerry Zornow, members of the football coaching profession, my former compatriots:

It is a great privilege and a very high honor to be here tonight and especially to receive this award that means so much to you, and let me assure you it means so much to me.

I think all of us who knew Tuss McLaughry knew that he was an American who never rationed his time, his energy, or his determination to help others to achieve athletic and personal success. Let me assure you that this award is treasured even more because it bears Tuss's name. I am most grateful.

Fortunately, I had the privilege and honor of knowing Tuss when he was coach at Brown, and I was on Ducky Pond's football staff at New Haven. I used to scout Brown and then watch those pictures after Tuss gave us a hard time.

He made those football teams at Brown and later on at other schools, such as Dartmouth, by his leadership and his dedication. And I know from several personal acquaintances that I had subsequently that Tuss McLaughry developed young athletes into great public figures.

Let me say, if I might, that I am extremely humble to be here tonight, because I had the privilege back beginning in the fall of 1935 right out of Ann Arbor to go to New Haven and be exposed to outstanding individuals, outstanding coaches. Our head coach was Ducky Pond; the backfield coach was Greasy Neale; Ivy Williamson was the end coach. We competed against teams that were coached by Tuss McLaughry, Dick Harlow, and Fritz Crisler.¹

It was a tough league. All of them were men of outstanding qualifications, not only in the coaching profession but in leadership among men.

I am also not only humble but jealous of those who signed that football who made All-America.² This was something that I never accomplished, never achieved, but I respect excellence, whether it is on the gridiron or otherwise. And I am deeply grateful to those young men, both offensive and defensive, who have been so thoughtful.

I could not help but notice, Bob, the modern ball makes it a little easier to center

¹ Richard C. Harlow of Harvard University and Herbert Fritz Orin Crisler of Princeton University.

² Prior to his remarks, the President was presented with a football autographed by members of the 1974 All-America football team.

than it was back in 1932, 1933, and 1934. I just was going to comment until somebody said something that really undercut what I was going to say.

I played football back—so far back that it was back when the ball was round, and this gentleman over here said, “You should have seen it back in 1906.” [Laughter]

But I am also deeply grateful for the opportunity to be here, because as a former assistant football coach who left the profession, probably wisely, let me assure you that I do know your concerns, your problems. To some extent—not to the extent that most of you have—I have lived them.

I will never forget back at the time in the fall or after the fall of 1940 at Yale, we had had a very bad season. I went to a movie theater that night with our great head coach, Ducky Pond, and the movie that night just happened to be that film classic, “King Kong.”

You can never forget—I never did—that final scene. King Kong is standing on top of the Empire State Building, and men are shouting at him, women screaming at him, the police are shooting at him, even airplanes are firing machineguns at him.

I was very impressed. I leaned over to Ducky, who was sitting next to me in the theater, and whispered, “When was the last time you ever saw anything like that?” Ducky whispered back, “Tuesday. I had a meeting with the alumni association.” [Laughter]

As a resident of Washington, the District of Columbia, on at least a temporary basis, I want you to know what a real thrill it is to have all of you here. Washington is a real football town, and you can’t imagine the excitement seeing John McKay fly in over the Potomac, Ara Parseghian drive in over the Potomac, and Bear Bryant walk in over the Potomac. [Laughter]³

You know, sometimes I wonder why we don’t talk more about the history of this sport that all of us have had some connection and relationship with. Football is a very old and very honorable game. It was played by the ancient Chinese, the Greeks, and the Romans. In fact, many, many ancient peoples played a form of football just to keep warm in the winter. And it still works. I saw Woody Hayes⁴ after the Rose Bowl game—boy, was he steamed! [Laughter] No, really, Woody, I am only kidding.

You know where my loyalties are. But I firmly believe after that New Year’s Day, two of the finest football teams in America today were involved in the

³ Football coaches John McKay of the University of Southern California, Ara Parseghian of the University of Notre Dame, and Paul W. Bryant of the University of Alabama.

⁴ Woodrow W. Hayes of Ohio State University.

Rose Bowl—the University of Southern California, playing it, and the University of Michigan, watching it on TV. [*Laughter*]

Seriously, I think both Woody Hayes and John McKay did a superlative job, and if they ever want to come over to the White House for breakfast, I will personally fix both of them the breakfast of champions.

Quite frankly, that is the way I feel about all of you. I am delighted to be here tonight standing shoulder-to-shoulder with the men who make Saturday afternoons come alive.

As Bob Blackman pointed out, I was a member of your great association for about 9 years, and I have never given up, never intend to give up my interest or concern for the coaching profession—and it *is* a profession, a calling worthy of the respect and very high regard awarded to any other campus discipline on any other university or college campus.

I happen to feel very deeply that the sensitive, thoughtful, highly skilled football coaches of today have stood far, far too long in the shadows cast by other members of the faculty. The role each of you play in developing both the physical and moral muscle of your students is a very vital one. It is a role that makes you coach, father, brother, confessor, and friend to young people at a time in their lives when they can use all of them.

You coach, but you also motivate. You instruct, but you also inspire. You set a schedule, but you also set an example. You are not just the big hulking men who turn out winning football teams, you are the very perceptive leaders who can turn uncertain youngsters into winning adults.

An easy job? Hardly. A demanding job? Certainly. A rewarding job? Definitely. But too often we rate the performance of this job in terms of the big game victories when it is, in actuality, in the thousands of small, unseen triumphs that matter even far more.

What do you say to the eager 150-pound freshman who wants to play tackle? How do you bend a direction without breaking a spirit? This, in my judgment, is the real contribution that you make to America—to take our youth and give them the highest standards and goals they can achieve and will want to achieve on the practice field and in the football stadium.

In actuality, you are conducting a living laboratory, a crucible of crunch that will make your youngsters, backfield and linemen alike, far better able to run with the ball in later life.

So tonight, with very deep appreciation, I accept the Tuss McLaughry Award not for myself, but let me share it with all members of the American Football Coaches Association. You are often unsung, but in my book you will never be unappreciated.

And so, as a final tribute, I have a little poem about football coaches. And with your permission I would like to read it. It goes something like this:

The football coach has a lonely job,
 He rarely gets much credit.
 And if he hears a kindly word—
 This is the group that said it.
 He labors hard to build the sport
 In a manner almost stately.
 But the only question he's ever asked
 Is: "What have you won for us lately?"
 And so, you coaches, hear my wish,
 And don't sink into lethargy.
 Have some fun—there are lots worse things
 Than being burned in effigy! [*Laughter*]

Thank you and good night.

NOTE: The President spoke at 9:59 p.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to Bob Blackman, president of the American Football Coaches Association, and Gerald B. Zornow, chair-

man of the board of the Eastman Kodak Company, which sponsored the awards.

Mr. Blackman presented the President with the association's Tuss McLaughry Award for highest distinction in service to others.

26

Address to the Nation on Energy and Economic Programs.

January 13, 1975

Good evening.

Without wasting words, I want to talk with you tonight about putting our domestic house in order. We must turn America in a new direction. We must reverse the current recession, reduce unemployment, and create more jobs.

We must restore the confidence of consumers and investors alike. We must continue an effective plan to curb inflation. We must, without any delay, take firm control of our progress as a free people.

Together we can and will do this job. Our national character is strong on self-discipline and the will to win. Americans are at their very best when the going is rough. Right now, the going *is* rough, and it may get rougher. But if we do what must be done, we will be on our way to better days. We have an historic opportunity.

On Wednesday, I will report to the new Congress on the state of the Union and ask for its help to quickly improve it. But neither Congress nor the President can pass laws or issue orders to assure economic improvement and instant prosperity. The Government can help by equalizing unfair burdens, by setting an example of sound economic actions, and by exerting leadership through clear and coordinated national recovery programs.

Tonight, I want to talk to you about what must be done. After all, you are the people most affected.

Since becoming your President 5 months ago, economic problems have been my foremost concern. Two elements of our problem are long-range—inflation and energy. Both are affected not only by our actions but also by international forces beyond our direct control. The new and disturbing element in the economic picture is our worsening recession and the unemployment that goes with it.

We have made some progress in slowing the upward spiral of inflation and getting interest rates started down, but we have suffered sudden and serious setbacks in sales and unemployment. Therefore, we must shift our emphasis from inflation to recession, but in doing so, we must not lose sight of the very real and deadly dangers of rising prices and declining domestic energy supplies.

Americans are no longer in full control of their own national destiny when that destiny depends on uncertain foreign fuel at high prices fixed by others. Higher energy costs compound both inflation and recession, and dependence on others for future energy supplies is intolerable to our national security.

Therefore, we must wage a simultaneous three-front campaign against recession, inflation, and energy dependence. We have no choice. We need, within 90 days, the strongest and most far-reaching energy conservation program we have ever had.

Yes, gasoline and oil will cost even more than they do now, but this program will achieve two important objectives: It will discourage the unnecessary use of petroleum products, and it will encourage the development and substitution of other fuels and newer sources of energy.

To get started immediately on an urgent national energy plan, I will use the Presidential emergency powers to reduce our dependence on foreign oil by raising import fees on each barrel of foreign crude oil by \$1 to \$3 over the next 3 months.

A more comprehensive program of energy conservation taxes on oil and natural gas to reduce consumption substantially must be enacted by the Congress. The revenues derived from such taxes will be returned to the economy. In addition, my energy conservation program contains oil allocation authority to avoid undue hardships in any one geographic area, such as New England, or in any specific industries or areas of human need where oil is essential.

The plan prevents windfall profits by producers. There must also be volunteer efforts to cut gasoline and other energy use.

My national energy conservation plan will urge Congress to grant a 5-year delay on higher automobile pollution standards in order to achieve a 40-percent improvement in miles per gallon.

Stronger measures to speed the development of other domestic energy resources, such as coal, geothermal, solar, and nuclear power, are also essential.

This plan requires personal sacrifice. But if we all pitch in, we will meet our goal of reducing foreign oil imports by 1 million barrels a day by the end of this year and by 2 million barrels before the end of 1977. The energy conservation measures I have outlined tonight will be supplemented by use of Presidential powers to limit oil imports as necessary to fully achieve these goals.

By 1985—10 years from now—the United States will be invulnerable to foreign energy disruptions or oil embargoes such as we experienced last year. Of course, our domestic needs come first. But our gains in energy independence will be fully coordinated with our friends abroad. Our efforts should prompt similar action by our allies.

If Congress speedily enacts this national energy program, there will be no need for compulsory rationing or long waiting lines at the service station. Yes, gasoline prices will go up, though not as much as with a 20-cent-a-gallon tax. Furthermore, the burden of the conservation taxes on oil will be shared by all petroleum users, not just motorists.

Now, let me talk about the problem of unemployment. This country needs an immediate Federal income tax cut of \$16 billion. Twelve billion dollars, or three-fourths of the total of this cut, should go to individual taxpayers in the form of a cash rebate amounting to 12 percent of their 1974 tax payments—up to a \$1,000 rebate. If Congress acts by April 1, you will get your first check for half the rebate in May and the rest by September.

The other one-fourth of the cut, about \$4 billion, will go to business taxpayers, including farmers, to promote plant expansion and create more jobs. This will be in the form of an increase in the investment tax credit to 12 percent for 1 year. There will be special provisions to assist essential public utilities to

step up their energy capacity. This will encourage capital spending and productivity, the key to recovery and growth.

As soon as the new revenues from energy conservation taxes are received, we will be able to return \$30 billion to the economy in the form of additional payments and credits to individuals, business, and State and local governments. Cash payments from this total also will be available to those who pay no income taxes because of low earnings. They are the hardest hit by inflation and higher energy costs. This combined program adds up to \$46 billion—\$30 billion in returned energy tax revenues to compensate for higher fuel costs and \$16 billion in tax cuts to help provide more jobs. And the energy conservation tax revenues will continue to be put back into the economy as long as the emergency lasts.

This economic program is different in emphasis from the proposals I put forward last October. The reason is that the situation has changed. You know it, and I know it. What we most urgently need today is more spending money in your pockets rather than in the Treasury in Washington.

Let's face it, a tax cut to bolster the economy will mean a bigger Federal deficit temporarily, and I have fought against deficits all my public life. But unless our economy revives rapidly, Federal tax revenues will shrink so much that future deficits will be even larger. But I have not abandoned my lifelong belief in fiscal restraint. In the long run, there is no other real remedy for our economic troubles.

While wrestling with the budgets for this year and next, I found that at least three-quarters of all Federal expenditures are required by laws already on the books. The President cannot, by law, cut spending in an ever-growing list of programs which provide mandatory formulas for payments to State and local governments and to families and to individuals. Unless these laws are changed, I can tell you there are only two ways to go—still higher Federal taxes or the more ruinous hidden tax of inflation. Unchecked, Federal programs mandated by law will be prime contributors to Federal deficits of \$30 to \$50 billion this year and next. Deficits of this magnitude are wrong—except on a temporary basis in the most extenuating circumstances.

Reform of these costly, mandated Federal spending programs will take time. Meanwhile, in order to keep the budget deficit as low as possible, I will do what I can.

In my State of the Union and subsequent messages, I will not propose any new Federal spending programs except for energy. And the Congress—your representatives in Washington—share an equal responsibility to see that no new spending programs are enacted. I will not hesitate to veto any new spending

programs that Congress sends to me. Many proposed Federal spending programs are desirable and have had my support in the past. But they cost money—*your* tax dollars. Plainly, it is time to declare a 1-year moratorium on new Federal spending programs.

I need your support in this. It is vital that your representatives in Congress know that you share this concern about inflation.

I believe the Federal Government ought to show all Americans it practices what it preaches about sacrifice and self-restraint. Therefore, I will insist on a 5-percent limit on any Federal pay increases in 1975, and I will ask Congress to put the same temporary 5-percent ceiling on automatic cost-of-living increases in Government and military retirement pay and social security.

Government alone cannot bring the cost of living down, but until it does start down, Government can refrain from pushing it up. For only when the cost of living comes down can everybody get full value from a pension or a paycheck. I want to hasten that day.

Tonight I have summarized the highlights of my energy and my economic programs. They must go hand-in-hand, as I see it.

On Wednesday I will spell out these proposals to the Congress. There will be other recommendations, both short-term and long-range, to make our program as fair to all as possible.

I will press for prompt action and responsible legislation. The danger of doing nothing is great; the danger of doing too much is just as great. We cannot afford to throw monkey wrenches into our complex economic machine just because it isn't running at full speed.

We are in trouble, but we are not on the brink of another Great Depression.

Our political and economic system today is many times stronger than it was in the 1930's. We have income safeguards and unemployment cushions built into our economy. I have taken and will continue to take whatever steps are needed to prevent massive dislocations and personal hardships and, in particular, the tragedy of rising unemployment.

But sound solutions to our economic difficulties depend primarily on the strong support of each one of you. Self-restraint must be exercised by big and small business, by organized and unorganized labor, by State and local governments as well as by the Federal Government.

No one will be allowed to prosper from the temporary hardships most of us willingly bear, nor can we permit any special interests to gain from our common distress.

To improve the economic outlook we must rekindle faith in ourselves.

Nobody is going to pull us out of our troubles but ourselves—and by our own bootstraps.

In 200 years as a nation, we have triumphed over external enemies and internal conflicts, and each time we have emerged stronger than before. This has called for determined leaders and dedicated people, and this call has never gone unheeded.

In every crisis, the American people have closed ranks, rolled up their sleeves, and rallied to do whatever had to be done.

I ask you and those who represent you in the Congress to work to turn our economy around, declare our energy independence, and resolve to make our free society again the wonder of the world.

The beginning of our Bicentennial is a good time to reaffirm our pride and purpose as Americans who help themselves and help their neighbors no-matter how tough the task. For my part, I will do what I believe is right for all our people—to do my best for America as long as I occupy this historic house.

We know what must be done. The time to act is now. We have our Nation to preserve and our future to protect. Let us act together. May God bless our endeavors.

Thank you, and good night.

NOTE: The President spoke at 9 p.m. from the Lincoln Library at the White House. The address was broadcast live on radio and television.

27

Remarks on the Anniversary of the Birth of Martin Luther King, Jr. *January 14, 1975*

ON THE 46th anniversary of the birth of Dr. Martin Luther King, Jr., it is appropriate to review the progress of this Nation in securing civil rights for all our citizens. It is an impressive if not a perfect record.

Many of the social and political changes Dr. King envisaged as a civil rights leader are now taken for granted. But progress is not counted by past success; we must continually renew our commitment to the cause of justice and equality.

Dr. King was in the forefront in leading the way to passage of the Voting Rights Act of 1965. I supported the original act and its extension in 1970. This law has helped to open up our political processes to full citizen participation—and we must safeguard these gains through another 5-year extension of the statute.

I will forward to the Congress later this week draft legislation for such an extension. I believe the right to vote is the foundation of freedom and equality. It must be protected.

During his lifetime, Dr. King received the Nobel Prize and numerous other awards. But shortly before his death 7 years ago, he said that he preferred to be remembered not for these honors, but for his service to his fellow man.

Dr. King is remembered as he wished—and his memory continues to inspire hope for America. We must not let his work die—that will be the highest tribute of all.

NOTE: The President spoke at 1:05 p.m. in the Cabinet Room at the White House. His remarks were recorded for later broadcast in commemoration of Dr. King's birth on January 15, 1929.

The White House announced that the President also had sent a telegram to Coretta Scott King expressing his high regard for the memory of her late husband.

28

Address Before a Joint Session of the Congress Reporting on the State of the Union. *January 15, 1975*

Mr. Speaker, Mr. Vice President, Members of the 94th Congress, and distinguished guests:

Twenty-six years ago, a freshman Congressman, a young fellow with lots of idealism who was out to change the world, stood before Sam Rayburn in the well of the House and solemnly swore to the same oath that all of you took yesterday—an unforgettable experience, and I congratulate you all.

Two days later, that same freshman stood at the back of this great Chamber—over there someplace—as President Truman, all charged up by his single-handed election victory, reported as the Constitution requires on the state of the Union.

When the bipartisan applause stopped, President Truman said, “I am happy to report to this 81st Congress that the state of the Union is good. Our Nation is better able than ever before to meet the needs of the American people, and to give them their fair chance in the pursuit of happiness. [It] is foremost among the nations of the world in the search for peace.”

Today, that freshman Member from Michigan stands where Mr. Truman stood, and I must say to you that the state of the Union is not good:

Millions of Americans are out of work.

Recession and inflation are eroding the money of millions more.

Prices are too high, and sales are too slow.

This year's Federal deficit will be about \$30 billion; next year's probably \$45 billion.

The national debt will rise to over \$500 billion.

Our plant capacity and productivity are not increasing fast enough.

We depend on others for essential energy.

Some people question their Government's ability to make hard decisions and stick with them; they expect Washington politics as usual.

Yet, what President Truman said on January 5, 1949, is even more true in 1975. We are better able to meet our people's needs. All Americans do have a fairer chance to pursue happiness. Not only are we still the foremost nation in the pursuit of peace but today's prospects of attaining it are infinitely brighter.

There were 59 million Americans employed at the start of 1949; now there are more than 85 million Americans who have jobs. In comparable dollars, the average income of the American family has doubled during the past 26 years.

Now, I want to speak very bluntly. I've got bad news, and I don't expect much, if any, applause. The American people want action, and it will take both the Congress and the President to give them what they want. Progress and solutions *can* be achieved, and they *will* be achieved.

My message today is not intended to address all of the complex needs of America. I will send separate messages making specific recommendations for domestic legislation, such as the extension of general revenue sharing and the Voting Rights Act.

The moment has come to move in a new direction. We can do this by fashioning a new partnership between the Congress on the one hand, the White House on the other, and the people we both represent.

Let us mobilize the most powerful and most creative industrial nation that ever existed on this Earth to put all our people to work. The emphasis on our economic efforts must now shift from inflation to jobs.

To bolster business and industry and to create new jobs, I propose a 1-year tax reduction of \$16 billion. Three-quarters would go to individuals and one-quarter to promote business investment.

This cash rebate to individuals amounts to 12 percent of 1974 tax payments—a total cut of \$12 billion, with a maximum of \$1,000 per return.

I call on the Congress to act by April 1. If you do—and I hope you will—the Treasury can send the first check for half of the rebate in May and the second by September.

The other one-fourth of the cut, about \$4 billion, will go to business, including farms, to promote expansion and to create more jobs. The 1-year reduction for

businesses would be in the form of a liberalized investment tax credit increasing the rate to 12 percent for all businesses.

This tax cut does not include the more fundamental reforms needed in our tax system. But it points us in the right direction—allowing taxpayers rather than the Government to spend their pay.

Cutting taxes now is essential if we are to turn the economy around. A tax cut offers the best hope of creating more jobs. Unfortunately, it will increase the size of the budget deficit. Therefore, it is more important than ever that we take steps to control the growth of Federal expenditures.

Part of our trouble is that we have been self-indulgent. For decades, we have been voting ever-increasing levels of Government benefits, and now the bill has come due. We have been adding so many new programs that the size and the growth of the Federal budget has taken on a life of its own.

One characteristic of these programs is that their cost increases automatically every year because the number of people eligible for most of the benefits increases every year. When these programs are enacted, there is no dollar amount set. No one knows what they will cost. All we know is that whatever they cost last year, they will cost more next year.

It is a question of simple arithmetic. Unless we check the excessive growth of Federal expenditures or impose on ourselves matching increases in taxes, we will continue to run huge inflationary deficits in the Federal budget.

If we project the current built-in momentum of Federal spending through the next 15 years, State, Federal, and local government expenditures could easily comprise half of our gross national product. This compares with less than a third in 1975.

I have just concluded the process of preparing the budget submissions for fiscal year 1976. In that budget, I will propose legislation to restrain the growth of a number of existing programs. I have also concluded that no new spending programs can be initiated this year, except for energy. Further, I will not hesitate to veto any new spending programs adopted by the Congress.

As an additional step toward putting the Federal Government's house in order, I recommend a 5-percent limit on Federal pay increases in 1975. In all Government programs tied to the Consumer Price Index—including social security, civil service and military retirement pay, and food stamps—I also propose a 1-year maximum increase of 5 percent.

None of these recommended ceiling limitations, over which Congress has final authority, are easy to propose, because in most cases they involve anticipated payments to many, many deserving people. Nonetheless, it must be done. I must

emphasize that I am not asking to eliminate, to reduce, to freeze these payments. I am merely recommending that we slow down the rate at which these payments increase and these programs grow.

Only a reduction in the growth of spending can keep Federal borrowing down and reduce the damage to the private sector from high interest rates. Only a reduction in spending can make it possible for the Federal Reserve System to avoid an inflationary growth in the money supply and thus restore balance to our economy. A major reduction in the growth of Federal spending can help dispel the uncertainty that so many feel about our economy and put us on the way to curing our economic ills.

If we don't act to slow down the rate of increase in Federal spending, the United States Treasury will be legally obligated to spend more than \$360 billion in fiscal year 1976, even if no new programs are enacted. These are not matters of conjecture or prediction, but again, a matter of simple arithmetic. The size of these numbers and their implications for our everyday life and the health of our economic system are shocking.

I submitted to the last Congress a list of budget deferrals and rescissions. There will be more cuts recommended in the budget that I will submit. Even so, the level of outlays for fiscal year 1976 is still much, much too high. Not only is it too high for this year but the decisions we make now will inevitably have a major and growing impact on expenditure levels in future years. I think this is a very fundamental issue that we, the Congress and I, must jointly solve.

Economic disruptions we and others are experiencing stem in part from the fact that the world price of petroleum has quadrupled in the last year. But in all honesty, we cannot put all of the blame on the oil-exporting nations. We, the United States, are not blameless. Our growing dependence upon foreign sources has been adding to our vulnerability for years and years, and we did nothing to prepare ourselves for such an event as the embargo of 1973.

During the 1960's, this country had a surplus capacity of crude oil which we were able to make available to our trading partners whenever there was a disruption of supply. This surplus capacity enabled us to influence both supplies and prices of crude oil throughout the world. Our excess capacity neutralized any effort at establishing an effective cartel, and thus the rest of the world was assured of adequate supplies of oil at reasonable prices.

By 1970, our surplus capacity had vanished, and as a consequence, the latent power of the oil cartel could emerge in full force. Europe and Japan, both heavily dependent on imported oil, now struggle to keep their economies in

balance. Even the United States, our country, which is far more self-sufficient than most other industrial countries, has been put under serious pressure.

I am proposing a program which will begin to restore our country's surplus capacity in total energy. In this way, we will be able to assure ourselves reliable and adequate energy and help foster a new world energy stability for other major consuming nations.

But this Nation and, in fact, the world must face the prospect of energy difficulties between now and 1985. This program will impose burdens on all of us with the aim of reducing our consumption of energy and increasing our production. Great attention has been paid to the considerations of fairness, and I can assure you that the burdens will not fall more harshly on those less able to bear them.

I am recommending a plan to make us invulnerable to cutoffs of foreign oil. It will require sacrifices, but it—and this is most important—it will work.

I have set the following national energy goals to assure that our future is as secure and as productive as our past:

First, we must reduce oil imports by 1 million barrels per day by the end of this year and by 2 million barrels per day by the end of 1977.

Second, we must end vulnerability to economic disruption by foreign suppliers by 1985.

Third, we must develop our energy technology and resources so that the United States has the ability to supply a significant share of the energy needs of the free world by the end of this century.

To attain these objectives, we need immediate action to cut imports. Unfortunately, in the short term there are only a limited number of actions which can increase domestic supply. I will press for all of them.

I urge quick action on the necessary legislation to allow commercial production at the Elk Hills, California, Naval Petroleum Reserve. In order that we make greater use of domestic coal resources, I am submitting amendments to the Energy Supply and Environmental Coordination Act which will greatly increase the number of powerplants that can be promptly converted to coal.

Obviously, voluntary conservation continues to be essential, but tougher programs are needed—and needed now. Therefore, I am using Presidential powers to raise the fee on all imported crude oil and petroleum products. The crude oil fee level will be increased \$1 per barrel on February 1, by \$2 per barrel on March 1, and by \$3 per barrel on April 1. I will take actions to reduce undue hardships on any geographical region. The foregoing are interim administra-

tive actions. They will be rescinded when the broader but necessary legislation is enacted.

To that end, I am requesting the Congress to act within 90 days on a more comprehensive energy tax program. It includes: excise taxes and import fees totaling \$2 per barrel on product imports and on all crude oil; deregulation of new natural gas and enactment of a natural gas excise tax.

I plan to take Presidential initiative to decontrol the price of domestic crude oil on April 1. I urge the Congress to enact a windfall profits tax by that date to ensure that oil producers do not profit unduly.

The sooner Congress acts, the more effective the oil conservation program will be and the quicker the Federal revenues can be returned to our people.

I am prepared to use Presidential authority to limit imports, as necessary, to guarantee success.

I want you to know that before deciding on my energy conservation program, I considered rationing and higher gasoline taxes as alternatives. In my judgment, neither would achieve the desired results and both would produce unacceptable inequities.

A massive program must be initiated to increase energy supply, to cut demand, and provide new standby emergency programs to achieve the independence we want by 1985. The largest part of increased oil production must come from new frontier areas on the Outer Continental Shelf and from the Naval Petroleum Reserve No. 4 in Alaska. It is the intent of this Administration to move ahead with exploration, leasing, and production on those frontier areas of the Outer Continental Shelf where the environmental risks are acceptable.

Use of our most abundant domestic resource—coal—is severely limited. We must strike a reasonable compromise on environmental concerns with coal. I am submitting Clean Air [Act] amendments which will allow greater coal use without sacrificing clean air goals.

I vetoed the strip mining legislation passed by the last Congress.¹ With appropriate changes, I will sign a revised version when it comes to the White House.

I am proposing a number of actions to energize our nuclear power program. I will submit legislation to expedite nuclear leasing [licensing] and the rapid selection of sites.

In recent months, utilities have cancelled or postponed over 60 percent of planned nuclear expansion and 30 percent of planned additions to non-nuclear

¹ See 1974 volume, Item 326.

capacity. Financing problems for that industry are worsening. I am therefore recommending that the 1-year investment tax credit of 12 percent be extended an additional 2 years to specifically speed the construction of powerplants that do not use natural gas or oil. I am also submitting proposals for selective reform of State utility commission regulations.

To provide the critical stability for our domestic energy production in the face of world price uncertainty, I will request legislation to authorize and require tariffs, import quotas, or price floors to protect our energy prices at levels which will achieve energy independence.

Increasing energy supplies is not enough. We must take additional steps to cut long-term consumption. I therefore propose to the Congress: legislation to make thermal efficiency standards mandatory for all new buildings in the United States; a new tax credit of up to \$150 for those homeowners who install insulation equipment; the establishment of an energy conservation program to help low-income families purchase insulation supplies; legislation to modify and defer automotive pollution standards for 5 years, which will enable us to improve automobile gas mileage by 40 percent by 1980.

These proposals and actions, cumulatively, can reduce our dependence on foreign energy supplies from 3 to 5 million barrels per day by 1985. To make the United States invulnerable to foreign disruption, I propose standby emergency legislation and a strategic storage program of 1 billion barrels of oil for domestic needs and 300 million barrels for national defense purposes.

I will ask for the funds needed for energy research and development activities. I have established a goal of 1 million barrels of synthetic fuels and shale oil production per day by 1985 together with an incentive program to achieve it.

I have a very deep belief in America's capabilities. Within the next 10 years, my program envisions: 200 major nuclear powerplants; 250 major new coal mines; 150 major coal-fired powerplants; 30 major new [oil] refineries; 20 major new synthetic fuel plants; the drilling of many thousands of new oil wells; the insulation of 18 million homes; and the manufacturing and the sale of millions of new automobiles, trucks, and buses that use much less fuel.

I happen to believe that we can do it. In another crisis—the one in 1942—President Franklin D. Roosevelt said this country would build 60,000 [50,000] military aircraft. By 1943, production in that program had reached 125,000 aircraft annually. They did it then. We can do it now.

If the Congress and the American people will work with me to attain these targets, they will be achieved and will be surpassed.

From adversity, let us seize opportunity. Revenues of some \$30 billion from

higher energy taxes designed to encourage conservation must be refunded to the American people in a manner which corrects distortions in our tax system wrought by inflation.

People have been pushed into higher tax brackets by inflation, with consequent reduction in their actual spending power. Business taxes are similarly distorted because inflation exaggerates reported profits, resulting in excessive taxes.

Accordingly, I propose that future individual income taxes be reduced by \$16.5 billion. This will be done by raising the low-income allowance and reducing tax rates. This continuing tax cut will primarily benefit lower- and middle-income taxpayers.

For example, a typical family of four with a gross income of \$5,600 now pays \$185 in Federal income taxes. Under this tax cut plan, they would pay nothing. A family of four with a gross income of \$12,500 now pays \$1,260 in Federal taxes. My proposal reduces that total by \$300. Families grossing \$20,000 would receive a reduction of \$210.

Those with the very lowest incomes, who can least afford higher costs, must also be compensated. I propose a payment of \$80 to every person 18 years of age and older in that very limited category.

State and local governments will receive \$2 billion in additional revenue sharing to offset their increased energy costs.

To offset inflationary distortions and to generate more economic activity, the corporate tax rate will be reduced from 48 percent to 42 percent.

Now let me turn, if I might, to the international dimension of the present crisis. At no time in our peacetime history has the state of the Nation depended more heavily on the state of the world. And seldom, if ever, has the state of the world depended more heavily on the state of our Nation.

The economic distress is global. We will not solve it at home unless we help to remedy the profound economic dislocation abroad. World trade and monetary structure provides markets, energy, food, and vital raw materials—for all nations. This international system is now in jeopardy.

This Nation can be proud of significant achievements in recent years in solving problems and crises. The Berlin agreement, the SALT agreements, our new relationship with China, the unprecedented efforts in the Middle East are immensely encouraging. But the world is not free from crisis. In a world of 150 nations, where nuclear technology is proliferating and regional conflicts continue, international security cannot be taken for granted.

So, let there be no mistake about it: International cooperation is a vital factor

of our lives today. This is not a moment for the American people to turn inward. More than ever before, our own well-being depends on America's determination and America's leadership in the whole wide world.

We are a great Nation—spiritually, politically, militarily, diplomatically, and economically. America's commitment to international security has sustained the safety of allies and friends in many areas—in the Middle East, in Europe, and in Asia. Our turning away would unleash new instabilities, new dangers around the globe, which, in turn, would threaten our own security.

At the end of World War II, we turned a similar challenge into an historic opportunity and, I might add, an historic achievement. An old order was in disarray; political and economic institutions were shattered. In that period, this Nation and its partners built new institutions, new mechanisms of mutual support and cooperation. Today, as then, we face an historic opportunity. If we act imaginatively and boldly, as we acted then, this period will in retrospect be seen as one of the great creative moments of our Nation's history.

The whole world is watching to see how we respond.

A resurgent American economy would do more to restore the confidence of the world in its own future than anything else we can do. The program that this Congress passes can demonstrate to the world that we have started to put our own house in order. If we can show that this Nation is able and willing to help other nations meet the common challenge, it can demonstrate that the United States will fulfill its responsibilities as a leader among nations.

Quite frankly, at stake is the future of industrialized democracies, which have perceived their destiny in common and sustained it in common for 30 years.

The developing nations are also at a turning point. The poorest nations see their hopes of feeding their hungry and developing their societies shattered by the economic crisis. The long-term economic future for the producers of raw materials also depends on cooperative solutions.

Our relations with the Communist countries are a basic factor of the world environment. We must seek to build a long-term basis for coexistence. We will stand by our principles. We will stand by our interests. We will act firmly when challenged. The kind of a world we want depends on a broad policy of creating mutual incentives for restraint and for cooperation.

As we move forward to meet our global challenges and opportunities, we must have the tools to do the job.

Our military forces are strong and ready. This military strength deters aggression against our allies, stabilizes our relations with former adversaries, and

protects our homeland. Fully adequate conventional and strategic forces cost many, many billions, but these dollars are sound insurance for our safety and for a more peaceful world.

Military strength alone is not sufficient. Effective diplomacy is also essential in preventing conflict, in building world understanding. The Vladivostok negotiations with the Soviet Union represent a major step in moderating strategic arms competition. My recent discussions with the leaders of the Atlantic community, Japan, and South Korea have contributed to meeting the common challenge.

But we have serious problems before us that require cooperation between the President and the Congress. By the Constitution and tradition, the execution of foreign policy is the responsibility of the President.

In recent years, under the stress of the Vietnam war, legislative restrictions on the President's ability to execute foreign policy and military decisions have proliferated. As a Member of the Congress, I opposed some and I approved others. As President, I welcome the advice and cooperation of the House and the Senate.

But if our foreign policy is to be successful, we cannot rigidly restrict in legislation the ability of the President to act. The conduct of negotiations is ill-suited to such limitations. Legislative restrictions, intended for the best motives and purposes, can have the opposite result, as we have seen most recently in our trade relations with the Soviet Union.

For my part, I pledge this Administration will act in the closest consultation with the Congress as we face delicate situations and troubled times throughout the globe.

When I became President only 5 months ago, I promised the last Congress a policy of communication, conciliation, compromise, and cooperation. I renew that pledge to the new Members of this Congress.

Let me sum it up. America needs a new direction, which I have sought to chart here today—a change of course which will: put the unemployed back to work; increase real income and production; restrain the growth of Federal Government spending; achieve energy independence; and advance the cause of world understanding.

We have the ability. We have the know-how. In partnership with the American people, we will achieve these objectives.

As our 200th anniversary approaches, we owe it to ourselves and to posterity to rebuild our political and economic strength. Let us make America once

again and for centuries more to come what it has so long been—a stronghold and a beacon-light of liberty for the whole world.

Thank you.

NOTE: The President delivered his address at 1:06 p.m. in the House Chamber at the Capitol. He was introduced by Carl Albert, Speaker of the House

of Representatives. The address was broadcast live on radio and television.

29

Statement Announcing Activation of the Energy Research and Development Administration and the Nuclear Regulatory Commission. *January 15, 1975*

I HAVE today signed an Executive order [11834] which activates on January 19, 1975, the Energy Research and Development Administration (ERDA) and the Nuclear Regulatory Commission (NRC).

The activation of these two new agencies has special meaning for me. The proposal to create them was submitted to the Congress in June 1973. As a Member of the House of Representatives at the time, I gave strong support to their creation and cast my vote for the legislation in December 1973. As Vice President, I followed closely the progress of the bill through the Senate. I was gratified to sign the bill into law on October 11, 1974. I am now pleased to sign the order which activates the two agencies.

Both agencies will play significant roles in our national energy programs, thereby influencing the lives of all our people.

The Nuclear Regulatory Commission will carry out the licensing and regulatory functions formerly assigned the Atomic Energy Commission. Commercial nuclear power will have an increasingly important role in our nation's energy supply in the years ahead. This new Commission will devote its full attention to assuring the safety as well as the reliability of this critically important source of energy. The creation of the NRC should end the concern that some have expressed about the past when one agency, the Atomic Energy Commission, was assigned the responsibility for both the technological development and the regulation of civilian nuclear power.

The Energy Research and Development Administration will bring together in a single agency the major Federal energy research and development programs, and bear the responsibility for leading the national effort to develop the needed technology to assure that the United States will have ample and secure

supplies of energy at reasonable prices. ERDA will work with private industry, colleges and universities, and others to develop and put into effective use technology that will conserve energy and increase the supply of energy from all sources, including fossil, nuclear fission and fusion, solar, and geothermal. ERDA consolidates major research and development functions previously handled by the AEC, Department of the Interior, National Science Foundation, and Environmental Protection Agency. ERDA also will continue the basic research nuclear materials production and weapons programs of the AEC.

With the addition of these two agencies, we will have organized the major elements of the Federal Government that are needed to lead the national energy effort. They will play a critical role in carrying out the energy policy which I announced today. In the years ahead, I expect to have as much pride in their development and success as I have in their creation.

30

Message to the Congress Reporting on International Whaling Operations and Conservation Programs. *January 16, 1975*

To the Congress of the United States:

The Pelly Amendment to the Fishermen's Protective Act of 1967, 22 U.S.C. § 1978 (1971), states that when the Secretary of Commerce determines that the citizens of a foreign country conduct fishing operations which diminish the effectiveness of a conservation program of an international fishery convention to which the United States is a party, he shall so certify to the President. The President may then direct the Secretary of the Treasury to prohibit the importation of fish products of the offending country. Within sixty days of certification, the President is required to notify the Congress of any action taken by him pursuant to such certification. If the President takes no action, or if he imposes an import prohibition which does not cover all fish products of the offending country, he must inform the Congress of his reasons.

The Secretary of Commerce has certified to me that the minke whale catches of the USSR and Japan during the 1973-1974 season exceeded the International Whaling Commission (IWC) quotas for that season. These actions diminished the effectiveness of the conservation program of the Commission.

Quotas on the number of whales to be taken each year are set at the annual meeting of the IWC. These quotas together with certain other limitations con-

stitute an "international fishery conservation program." Objections to adopted quotas are permitted by the terms of the Convention. An objecting country is not legally bound by the quota. Whether or not the objection is legal, however, does not alter the fact that exceeding the quotas will diminish the effectiveness of the program. It constitutes a *prima facie* case for application of the Pelly Amendment.

Last year both Japan and Russia objected to the minke and sperm whale quotas set by the IWC. In the case of the minke whale, a quota of 5,000 whales was set for the Antarctic. This figure was admittedly an informed estimate of the maximum sustainable yield of the stock, since precise figures on existing populations were lacking. Relatively few of these small whales had been previously taken. Nonetheless, the quota represented the best judgment of the scientific advisors and was duly adopted by the member nations. The Soviet Union and Japan voted against this quota. They said the figure should be 8,000, and formally objected to the quota. They then announced that each would take 4,000 minke whales during the 1973-1974 season. In fact, the Soviet Union took 4,000 and Japan took 3,713. This represented an excess of 2,713, or approximately 50 percent over quota.

To date, no prohibition has been imposed under the terms of the Pelly Amendment. I have decided to impose no such prohibition at this time. My decision is based upon the results of this year's meeting of the IWC in London. At this meeting, most of the member nations adopted an Australian amendment to the United States 10-year moratorium resolution. The amended resolution establishes the principle of a selective moratorium applicable to any stocks of whales which fall below their maximum sustainable yield levels or optimum population levels as these are determined. In effect, the selective moratorium shall prevent any whale stock from becoming endangered. According to its terms, the resolution shall be implemented in the 1975-1976 whaling conservation measures fixed by the IWC next year.

The June meeting also produced an agreement to strengthen the Secretariat and to convene a working level meeting to consider changes in the International Whaling Convention itself. In addition, the Commission's quotas for the 1974-1975 season incorporated some conservation improvements not included in the quotas for the last season. The Soviets and Japanese voted for the 1974-1975 quotas and, in general, appeared to be more conciliatory than during previous meetings. They, therefore, provided some hope that all member nations would comply with the resolution and with the 1974-1975 quotas.

There is, of course, the serious economic impact of trade sanctions to consider, particularly in the case of Japan, which in 1973 shipped \$235 million in fishery products, 36 percent (in dollar value) of its fishery exports, to the United States. Domestically, withdrawal of Japanese imports, amounting to about 11 percent of our supplies, would result in higher prices for fish products.

Because of the important economic and political ramifications of such sanctions, they should be imposed only after all reasonable alternatives for the achievement of the conservation objective have proven ineffective. With the progress made at this year's IWC meeting, the current situation does not warrant such stringent measures and, therefore, I am taking no action now.

There is, of course, the possibility that subsequent action by Japan or the USSR may require a reassessment. In this event I will expect the Secretary of Commerce to submit such reports and recommendations as he finds warranted. The Secretary's present certification, prepared by the National Oceanic and Atmospheric Administration, recommends the course of action I have decided on.

GERALD R. FORD

The White House,
January 16, 1975.

31

**Message to the Congress Transmitting First Quarterly
Report of the Council on Wage and Price Stability.
*January 16, 1975***

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I am hereby transmitting to the Congress the first quarterly report of the Council on Wage and Price Stability. This report covers the third calendar quarter of 1974. In addition, it covers the months of May and June, the period not covered by the final quarterly report of the Economic Stabilization Program.

Inflation continued to be a very serious problem during the period covered by this report. The Council on Wage and Price Stability has been actively using its powers to monitor wage and price increases, conduct public hearings and investigate those Government programs and policies that raise costs and prices without creating corresponding social benefits. In so doing, it is carrying out the mandate of the Congress to combat inflation without resorting to wage and price controls.

Although the results of these efforts are not always highly visible, I believe they are making an important contribution to abating continued inflation.

Because the problem of inflation is a stubborn one, I intend to ask the Congress to extend the life of the Council on Wage and Price Stability to June 30, 1976.

GERALD R. FORD

The White House,
January 16, 1975.

NOTE: The report covering the period May to September 1974 is entitled "Quarterly Report—Council on Wage and Price Stability" (Government Printing Office, 51 pp.)

32

Remarks at a Briefing for State and Local Officials on Energy and Economic Programs. *January 16, 1975*

Members of the Cabinet, distinguished Governors, mayors, public officials:

It is a privilege and a pleasure for me to be here and to follow all the technicians and experts who have given you the several programs and answered, I trust, satisfactorily, all your questions. Haven't you? [*Laughter*] They didn't learn very fast then.

Well, it is nice to be here and to conclude the program, at least officially, with a few remarks.

If you heard, saw, or read my speech yesterday, you know I didn't paint a very optimistic picture. I didn't intend to. I meant to say what the facts are as to the economy and our situation in the field of energy.

We all know that the economy is in trouble, and I won't embellish what I said yesterday by citing any facts or figures. We know that the problem of energy is acute in the United States. It doesn't seem that way today; of course, 12 or 14 months ago it was, and the problem that we had 12 or 14 months ago, which was acute, could occur or could reoccur at any time.

We have a short-range and a long-range problem in the field of energy, and we'd better find some answers. As a result of the difficulties we have in the economy and the problems we face in energy, I devoted virtually all of my time yesterday in the State of the Union to those two problems.

All of you are public officials. I consider myself one. Let me say that being a public official in these circumstances with unemployment high, with infla-

tion too high, with the other problems we have, is not a very happy responsibility, and you probably know it as well as I do.

But let me add this, if I might: Benjamin Franklin once said that we must all hang together or most assuredly we will all hang separately, and that includes Democrats as well as Republicans.

So, those at the local level, those at the State level, and those of us at the Federal level have a reason, a sound, constructive reason to work together so we preclude the possibility of all hanging together.

What can we do? We in the Federal Government have initiated a plan in the field of energy and the economy. In the latter, we are going to stimulate the economy, we are going to make things better; and in the field of energy, if we get the legislation, we will solve those problems.

All of you are, of course, particularly interested in the difficulties of unemployment. You see, even more dramatically than I do, the long unemployment lines. My State of Michigan, of course, has about as hard a situation as any, if not the worst.

So, what we have got to do on a temporary, short-term basis is restore public confidence, give people back some money to have it available to spend, to generate sales in hard goods—automobiles, appliances, et cetera—and at the same time provide temporary relief in the extension of unemployment compensation and to provide public service employment.

The Congress, in December of last year, on my recommendation, did pass a broadened, expanded public service law,¹ and that legislation has been funded. It will be implemented on an accelerated basis. It, of course, is an add-on, in effect, to the Comprehensive Education and Training Act, CETA, as they call it.

This public service employment in this legislation is distributed to cities on a formula basis. In order to make it work well, if we do our job, we have to get cooperation from the cities, and I trust that our people are doing a good job. If they aren't, let us know.

The 13-week extension of unemployment and the broadening of the unemployment legislation for better coverage also should be extremely helpful. In the legislation there are some provisions that give some special help to rural areas in the sewer and water project aspect. We have as deep a concern about rural unemployment as we do about municipal unemployment.

In addition, there is a provision that provides for some funding of rather short-term public works projects. Our experience in the Federal Government

¹ See 1974 volume, Item 328.

has been that some of the long-term public works projects are not as helpful in meeting an acute problem of unemployment as the public service employment legislation.

Nevertheless, there is a provision in this act to give some funding—I think it is \$150 million—for relatively short-term public works projects that can be implemented or executed rather quickly. So, there is new legislation; there are funds on hand to meet some of your acute problems.

The long-term unemployment problem we face is one that has to be corrected by making our economy more healthy, and the actions that I have recommended, the tax cut of \$12 billion to be rebated to the taxpayers by June 1, if Congress acts by April 1, should give a shot in the arm.

The \$4 billion help as far as business is concerned, if Congress acts, ought to accelerate plant modernization and equipment improvement. This, of course, should have a beneficial impact on unemployment.

I am sure that Frank Zarb, the head of FEA, or Secretary Morton, who is in charge of the energy task force or energy committee, mentioned to you the pay-back to State and local units of government for the added energy costs if the Congress approves the proposal that I have for increasing the import duties on fuel oil or the refinery tax on crude oil of \$2 a barrel.

We expect to collect roughly \$30 to \$31 billion from that, plus the windfall tax profits on the profits made by the oil refiners. And out of that \$30 to \$31 billion we have allocated \$2 billion to be returned to the States and local units of government to reimburse you for your added costs because of higher costs of energy.

This will be rebated to you on the general revenue sharing formula basis. In other words, assume there is \$2 billion. It will go back to State and local units of government on that formula basis.

In addition, I might add that in the budget that I am submitting, the legislative program I am recommending for this next fiscal year, I am proposing that we extend for $5\frac{3}{4}$ years the general revenue sharing legislation.

I think it has worked. It has worked because all or most of you have tried to make it work, and the net result is, in my opinion, it ought to be extended for 5-plus years.

I trust that you will have a constructive impact on the Congress in making sure that that recommendation is enacted into law. [*Laughter*]

In the process of putting together the economic program, I had to make some hard decisions. All of you make up your budgets at the State and local level, and you have had to do the same.

We found, for example, that if no new programs were enacted and we simply extended existing programs, that the deficit for the Federal Government for this current fiscal year ending June 30, the deficit would be over \$30 billion and that the deficit for the next fiscal year, beginning June 1, would be \$45 to \$46 billion.

So, the net result is, with no new programs we would have roughly \$75 to \$80 billion in deficits. That is a lot of money—I don't care how you add it up.

But despite that unfortunate fiscal situation, it was my judgment that we ought to recommend a tax reduction, as I have described it. However, in order to justify the tax reduction, I had to make several other hard decisions, one of them, no new Federal spending programs, period.

I am not going to recommend any, and I have said that if the Congress sends them to the White House, they will be vetoed. That had to be a condition for the tax reduction.

Number two, I had to take a look at some of these Federal programs that have built-in escalators predicated on the cost-of-living increases, such as Federal Government pay, such as Federal Government retirement, military retirement, social security—all of them have built-in escalators predicated on the increases in the cost of living.

I have said that the Congress had to work with me to hold the lid on those increases. We are not going to deny people an increase, but we have put a cap of 5 percent on the increases. That means that there will be some reduction from the anticipated increases, but not much.

But as I said in the speech yesterday, this is a time for sacrifice, and if everybody doesn't sacrifice a little, we are all going to be in serious trouble. And we are in bad enough trouble right now.

I hope the Congress will respond. If that cap is included, it will save, as I recollect, roughly \$10 billion. Isn't that right, Bill? It will save roughly \$10 billion in the 12-month period.

But it does provide, as I said a moment ago, no permanent freeze, no reduction. It is simply a 5-percent increase in those escalated programs—pay, et cetera.

In the energy program, we had to make some hard decisions. You could have gas rationing. Some people have advocated that. We aren't going to solve the energy supply program within a year. As a matter of fact, it will be 5 years or more before we have an adequate supply of energy to take care of our own domestic demands.

So, if you are going to have gas rationing, you have to plan it on a 5-year basis, not on a 1-year basis. I don't think a 5-year gas rationing program is sustainable.

In wartime, World War II, it worked. But in this situation, I do not think a

5-year gasoline rationing program would be accepted. And it really isn't the answer, because it wouldn't provide any incentives for new sources of energy in the United States, and that is what we have to do, is provide new sources of energy.

Now I know, in the program we proposed, there are some people in the Congress and maybe some of you who are concerned about geographical discrimination. I have been assured by Secretary of the Interior and by Mr. Zarb that there will be no adverse, undue hardships to New England or the Northeast United States.

I have their firm commitment that with the taxes imposed or import duties levied on foreign oil imports, there will be no undue hardships in any geographical part of the United States. I have also been assured by the people in the executive branch that no industry will suffer undue hardships.

So, if you do have any problems, there is the man to see, right there.²
[*Laughter*]

All right, now let's turn to one other subject. As we examined the problem of how to increase our supply of energy, as we tried to find ways to cut down on use through conservation, we had to take a look at the problems of energy vis-a-vis environment. Let me give you an illustration of how cooperation in the executive branch of the Government has brought about unanimity, and I think we have now a program that will permit us to keep a high standard of emission control on automobiles and at the same time get written commitments from the automotive people that they will increase the efficiency of the automobiles in the next 5 years by 40 percent.

They have agreed to this program in writing, if we would support the change of the emission standards to be the standards in the State of California. You really have three standards. You have the current Federal standards, you have the California standards, and you have the standards written in the law that was passed several years ago that are higher than all the other two.

The Environmental Protection Agency, under Russ Train, has agreed to support a change in the law as long as we agreed to support the California standards. This means that we will get substantial savings in the utilization of gasoline in new automobiles. I can't recall how many—I think it is 500,000 barrels a day, isn't it, Frank? We save 500,000 barrels a day with a 40-percent increase in efficiency for automobiles.

All I am trying to say is that we have worked extremely hard to get a sound

² The President was referring to Rogers C. B. Morton, Secretary of the Interior and Chairman of the Energy Resources Council.

balance between energy and environment, and Russ Train, head of EPA, has agreed that the California standards in this case are sound.

When you come right down to it, as I said yesterday, we are in trouble. I think we have got some answers. The responsibility now is on the shoulders of the Congress. I have been assured by the Democratic as well as the Republican leadership that they will cooperate with us. I hope they will pass my legislation intact, but that may be too much to expect.

They have a responsibility. But we need action—that is the main thing—and we need it promptly, both in the economy and in energy. So, I hope that you with your vast political background and support can urge the Members of the House on both sides of the aisle to move as rapidly as possible in these two very vital areas.

If they act on legislation, I think we can have some answers to these two very perplexing problems that the country faces. As I said yesterday, if we do what is necessary at home, the impact abroad will be most significant. It will restore our own confidence, and it will reinvigorate the trust and belief that others throughout the world have in the United States.

I am an optimist. I think the Congress will act. I think we will execute the programs. And instead of hanging together, we can enjoy the future together.

Thank you very much.

NOTE: The President spoke at 2:48 p.m. in the East Room at the White House at the conclusion of the briefing conducted by Vice President Nelson A.

Rockefeller, Secretary of the Interior Rogers C. B. Morton, Secretary of the Treasury William E. Simon, and Federal Energy Administrator Frank G. Zarb.

33

Remarks to Members of the U.S. Industrial Payroll Savings Committee. *January 16, 1975*

Thank you very much, Mr. Secretary. Mr. Chairman, and Mr. Chairman-to-be, ladies and gentlemen:

It is a pleasure to be here in 1975, and I thank all of you for coming and participating.

About a year ago I was asked to join a similar group down at the State Department. I think George Shultz was the Secretary at that time and John deButts was about to undertake the responsibilities from Mel Batten, and I was in a junior executive capacity. [*Laughter*]

I felt a little self-conscious about talking to all the senior leaders in industry that they represented. I could be a little freer in observations and comments than I can at the present time, and I have more responsibility now than I had at that time.

If you heard or read what I said yesterday, we have got a bigger challenge in selling savings bonds in 1975 than we had in 1974, so, as Gabe Hauge takes over, he has got a bigger job to do than John deButts had in 1974.

I don't like the fact that we are going to have a bigger deficit, which means more financing, but for reasons that I think most of you understand, it is a fact of life. I would like to compliment John on the superb job that he did in 1974. I have seen the statistics. They are extremely impressive, some 2,600,000 savings bond participants, exceeding the goal by 108 percent.

A very substantial amount of the financing in 1974 to take care of our Government's financial problems came from this program, and I suspect in 1975 it will be equally, if not more, important.

I was looking at the history of the organization. Doug Dillon was Secretary of the Treasury when it was started back in 1962, and Harold Geneen was the first chairman. And distinguished people from that time on have, in a public-spirited sense, assumed the chairmanship, and literally hundreds of top executives have participated.

So those of us in Government are thankful for what has been done. We compliment those who have had the responsibility, and we thank them for the success of the program.

I don't envy Gabe's difficulties ahead, but I am confident that with the American people seeing what the problems are, that they will rally in this year as they have in the past to help in a program that helps the Government, but a program that at the same time helps themselves.

So, we should be missionaries in the program—selfishly, but also for the public interest.

I should say on a personal basis that I believe in the program. I did in World War II, as many of you did. I do now as a monthly subscriber. And I think, as a result, I can go out as a stronger and more ardent advocate than if I wasn't a participant.

So, let me just thank you for being here, for the effort you have promised to make, and the success that I know you will achieve.

As I look at that deficit and our financing needs, we certainly are going to be forced to count on all of you.

Thank you very, very much.

NOTE: The President spoke at 3:58 p.m. in the East Room at the White House to members of the committee who were in Washington to attend their annual meeting.

In his opening remarks, the President referred to

Secretary of the Treasury William E. Simon, John D. deButts, 1974 committee chairman, and Gabriel Hauge, 1975 chairman.

William M. Batten was 1973 committee chairman and Harold S. Geneen was 1963 chairman.

34

Remarks at the Awards Ceremony of the Citizens Conference on State Legislatures. *January 17, 1975*

Jerry Leonard, Staff Grady, and distinguished awardees:

Let me, at the outset, congratulate the Citizens Conference on State Legislatures and the awardees—one from Texas, one from Louisiana, and one from Wisconsin—plus the State Legislature of Iowa and John Gardner of Common Cause.

I think there is a greater awareness today—much more so than when I started my legislative career—that State legislatures perform an invaluable function, a more and more important function today than ever before.

There is an old saying that a house is as strong as its foundation. It seems to me that our government today—and I use it in the broadest sense—is strengthened by the firm foundation that State legislatures give to government throughout the whole United States.

I think if we look at history, we find that some of our basic freedoms originated in our earliest days from actions taken in the respective States. The Virginia action in 1776 set forth the basic freedoms that were subsequently incorporated in our own Constitution.

I, of course, in 25 years, had the opportunity of working in a legislative body and, as a result of that experience, had literally hundreds of opportunities to work with State legislators as well as legislatures. And it is my impression that the greater emphasis today on the importance, the essentiality of affirmative action at the State level is going to grow and grow and grow.

So, I congratulate not only the awardees but the people who are working to make the State legislatures a more vital part of our system of government, and I wish them well in the days and months and years ahead.

So, Staff and Jerry, I look forward to the participation in recognizing the individuals, in recognizing the State Legislature of Iowa for these commendations on this occasion.

NOTE: The President spoke at 12:43 p.m. in the Cabinet Room at the White House.

In his opening remarks, the President referred to Jerris Leonard, president of the Citizens Conference on State Legislatures, which sponsored the awards, and Stafford R. Grady, chairman of the conference's board of trustees.

Mr. Grady presented the conference's 1974 awards for legislative leadership to Price Daniel, Jr., former

speaker of the Texas House of Representatives, E. L. "Bubba" Henry, speaker of the Louisiana House of Representatives, and State Senator Robert P. Knowles, former president pro tempore of the Wisconsin Senate; for legislative improvement, to the Iowa State Legislature; and for the impetus it has provided for legislative reform in several States, to Common Cause.

35

Remarks at a Dinner Honoring Labor Leader

Robert A. Georgine. *January 18, 1975*

Thank you very much, Mr. Chairman. Bob, and George Meany, Hubert Humphrey and Phil Burton and my former colleagues in the Congress, ladies and gentlemen:

It is a very great privilege and high honor, and I am delighted to join with the officers of 17 international unions representing 3.5 million workers, with the leaders of industry, with distinguished individuals in our society as a whole, and others gathered here tonight to pay tribute to Bob Georgine.

I think this is most encouraging. It is somewhat symbolic, in the fact that just as labor, industry, and government are joined together here tonight, so the American people are coming together to take charge of their own fate.

Bob, obviously, is taking on a very great challenge, and I wish you the very best, Bob, as president of the Building and Construction Trades Department of the AFL-CIO. Construction workers, we all know, are among those Americans feeling the heaviest impact of inflation, recession, and the energy crisis. Bob, you have an awesome responsibility, and I wish you the very, very best and offer to you, Bob, maximum cooperation that our Government can give to you in your new responsibilities.

And I particularly want to thank [AFL-CIO] President George Meany for his ever-continuing statesmanship, energy, and vision that he has demonstrated in helping to develop solutions to our national difficulties. And I always commend George for his forthright and constructive involvement. George and Bob and the other problemsolvers of the labor movement know how to negotiate around a table in the great spirit and in the great tradition of American labor.

As we, as Americans, move to solve the common problems facing all of us, let us not get hung up on the differences over details of the programs that are

before the Congress. The problem, in my judgment, is far too pressing, and too many Americans are out of work. I say, let's join together in starting the process, maintaining forward momentum, and in getting Congressional committees to meet and get down to the specific cases, so that whatever the differences are, they can be resolved.

To put it another way, let's start the train in the right direction and reconcile concerns over the fare and the speed and even over the rebates on tickets. But let's get started.

Tonight, I would like to issue a very special invitation to George Meany, Bob Georgine, and all of the other great leaders of American labor. The White House door is open to you and your associates. I need your help. But more importantly, the country needs your help. And I say to the construction and building trades tonight: Let us construct, let us build, rather than debate and denounce.

I ask you tonight, and I ask each and every one of you tonight, to join with me in pressing for action to get our economy moving again, to open new construction and new jobs across America.

I ask you to put your tremendous forces, your efforts behind the drive for an American energy independence. And I call on you to volunteer, as you have so often in the past, as labor has done it repetitively, to work in every community to install energy-saving home insulation with the materials that the Federal Government will make available free to the poor people in our society.

Obviously, I congratulate Bob Georgine—young fellow; great opportunity—no question that he will make it and do extremely well. And those of us who know of his background and know of his capabilities are convinced beyond any question of a doubt that he will perform in the great, great tradition of the outstanding labor leaders of our country in the past.

Bob, I congratulate you and wish you the very best.

Let me conclude with this observation. I understand, somewhat incidentally, that Bob plays gin rummy—I won't say how well. Let me put it this way: Bob Georgine has done for gin rummy what the *Titanic* did for ocean travel. [Laughter]

And so, Bob, to help you with this problem, I would like to give you a little gift, a copy of "Cohen's Complete Book of Gin Rummy." I am told it should do wonders for your game, and the next time you play George Meany and Lane Kirkland,¹ you will be able to lose more convincingly. [Laughter]

¹ Secretary-treasurer of the AFL-CIO.

But whether you win or lose, Bob, you and the other leaders in the American labor movement and all Americans are going to be winners in our struggle—and I mean, in the broadest sense, *our* struggle—over the real problems that face our Nation. For when America wins, America's labor wins. And all Americans are in our problems together, and together we will forge for the benefit of all a new direction for all of our great country.

I am honored to attend your testimonial, Bob, and may I make this presentation and wish you well as you compete with those old pros.

NOTE: The President spoke at 7:36 p.m. in the International Ballroom at the Washington Hilton Hotel. He was introduced by Michael J. Brennan, secretary-treasurer of the Wood, Wire, and Metal Lathers International Union.

36

The President's News Conference of *January 21, 1975*

STATEMENT ON THE ENERGY PROGRAM

THE PRESIDENT. [1.] Before getting into questions, I would like to take a few moments to briefly review with you several critical energy issues.

The energy decisions which I announced as a part of my State of the Union Address resulted from the most comprehensive review this Nation has ever had of our energy problems. This study demonstrated that there are only three basic alternatives.

The first—to continue doing what we have been doing. I have rejected this, because if we do continue, we will be importing 25 percent more oil by 1977. By 1985, we will be dependent on foreign sources for more than half of our oil. This would subject the economy of the United States to very serious disruption if these supplies were once again curtailed. The embargo of 1973 occurred during a period when a little more than one-third of our oil came from foreign sources. The disruptions we suffered then were just a small taste of what would likely happen in the event of a future embargo when we would be far more vulnerable.

Some have suggested rationing as the second alternative. I can understand why many in Congress and elsewhere are attempting to find a solution which does not entail sacrifice and hardship. But there is no easy solution, and I never promised one.

I believe that those who propose rationing do not have a clear understanding of what their plan would entail for the American people. Many of us, of course,

remember rationing during World War II. I have no doubt that this Nation is capable of sustaining a rationing program during a short emergency. However, to really curb demand, we would have to embark on a long-range rationing program of more than 5 years. Those favoring rationing must be thinking of a short-term program, not a serious, long-term effort to end energy dependency.

Further, there is no simple way to reach our goals by rationing. Rationing provides no stimulus to increase domestic petroleum supply or accelerate alternative energy sources. By concentrating exclusively on gasoline rationing, many other areas for energy conservation are overlooked.

In addition to being ineffective, gas rationing is inequitable. Even a rationing system that is designed with the best motives in mind and implemented by the most conscientious administrators would not be fair. If you were to go around the country and ask individuals what they should get under a "fair" rationing system, you would find that there would be simply not enough gasoline to go around. In fact, to reach our 1975 goal of reducing foreign oil imports by 1 million barrels per day, a gas rationing system would limit each driver to less than 9 gallons a week.

Inequities would be everywhere: How would people in remote areas of the country get enough gas to drive into town? How would farmers get enough gas to harvest their crops? What would happen to people who must drive a long way to work each day? And who would make those decisions?

It is essential that we recognize the size of the problem which we are attempting to solve. As a consequence, we must evaluate each energy program to see whether, in fact, it actually confronts and solves the problem. It does us little good to impose rationing or a gasoline tax or simply shut down gasoline stations on Sunday. These will not give us energy independence.

The alternative I have chosen relies on freedom of individual choice—giving people and businesses an incentive to save energy. This is the only way to achieve our energy goal. The need for action is obvious.

Therefore, later this week, I will sign a Presidential proclamation [4341] which will set in motion the most important and far-reaching energy conservation program in our Nation's history. It is the first step toward regaining our energy freedom. We must reverse our increasing dependency on imported oil. It seriously threatens our national security and the very existence of our freedom and leadership in the free world.

The proclamation is designed to impose higher fees on imported oil which

are equitable and fair. For example, it will contain special provisions to avoid undue hardships on certain regions of the country, such as the Northeast, which are heavily dependent upon high-cost foreign oil. On Thursday, I will meet with the Governors of the Northeast States on their special problems.

It is absolutely critical that Congress act quickly on my energy proposals. The increased revenues which the Government will collect from energy taxes must be returned to consumers and businesses through my proposed tax cut. To ensure speedy enactment of the program, I will, of course, work with the Congress.

I will not sit by and watch the Nation continue to talk about an energy crisis and do nothing about it. Nor will I take halfway measures which fail to change the direction that has put our Nation in this position. We have the resources in this country, the technological capability, and the spirit to regain our energy independence. I will, of course, use all of my powers as President to make certain that we succeed.

Mr. Cormier [Frank Cormier, Associated Press], please.

QUESTIONS

ENERGY PROGRAM

[2.] Q. Mr. President, you just said that you are willing to work with the Congress on this package. How flexible are you in compromising with those Democrats who argue that your tax plan plus the higher gas, crude oil levies bear most heavily on the poor?

THE PRESIDENT. Well, we have submitted a tax rebate program that is aimed at getting money back into the hands of individuals to the extent of \$12 billion—plus as quickly as possible, with a cap on the 12-percent rebate—the cap being \$1,000. We think this is fair and equitable, particularly when you combine it with the method of returning the \$19 billion to individual taxpayers under the energy program.

The two, in my judgment, do provide equity, in that we increase the low-income allowance and we try to equalize the burden on the less well off, at the same time giving the people in the middle-income brackets a fair share. Now, that is our proposal.

Of course, the Congress will have witnesses; they will act independently. But I think if they take a good look at our program, they will see that it is well-balanced, giving the poor a fair break, giving the people in the middle income

a fair opportunity to get their funds. And I hope the Congress won't make too many changes in it.

Miss Thomas [Helen Thomas, United Press International].

THE MIDDLE EAST

[3.] Q. On recent occasions, several times you have warned of the serious possibility of another war in the Middle East. Why, then, is the United States contributing so heavily to the military buildup there? And I have a followup.

THE PRESIDENT. The United States does feel that the danger of war in the Middle East is very serious. I have said it repeatedly, and I say it again here today. But in order to avoid that, we are maximizing our diplomatic efforts with Israel as well as with several Arab States.

In order to maintain the internal security of the various countries, in order to maintain equilibrium in arms capability, one nation against the other, we are supplying some arms to various states in that region. I think, while we negotiate, or while we expand our diplomatic efforts, it is important to maintain a certain degree of military capability on all sides.

PRESIDENT'S WAR POWERS

[4.] Q. Mr. President, both you and Secretary Kissinger have said that in case of strangulation of the West by oil producers, you would use military force—and you were hypothetically speaking. I think on that same basis the American people would like to know whether you would require a Congressional declaration of war or whether you would bypass that constitutional process, as some of your predecessors have done?

THE PRESIDENT. I can assure you that on any occasion where there was any commitment of U.S. military personnel to any engagement, we would use the complete constitutional process that is required of the President.

Yes, Mr. Brokaw [Tom Brokaw, NBC News].

THE NATION'S ECONOMY

[5.] Q. Mr. President, I believe I have detected the subtle thunder of politics interwoven among the bid by Washington officials to come up with a program for the Nation's energy and the economy. My question goes to you, sir. Do you feel that your political future is tied directly to turning the economy around, and more specifically, can a man be elected to your office when polls show that a large majority of the public does not have confidence in his handling of the economy?

THE PRESIDENT. I think any President or any candidate for the Presidency is affected by the status of the economy. In my judgment, the program I have submitted both to answer the energy problem and to meet the difficulties we are having in the economy today will be reflected in a definite improvement in our economy in the months ahead.

The plan for energy, if approved by the Congress, will get us on the road to meet our difficulties in the field of energy. It will make us less vulnerable to outside or foreign sources.

I am convinced both programs are sound. We may be at a low point now, but I am convinced that the months ahead will prove that we were right and that the political prospects, if they are affected by that, will likewise be improved.

Yes, Mr. Sperling [Godfrey Sperling, Jr., *Christian Science Monitor*].

VIETNAM CONFLICT

[6.] Q. Mr. President, are there circumstances in which the U.S. might actively reenter the Vietnam war?

THE PRESIDENT. I cannot foresee any at the moment.

Q. Are you ruling out the possibility of bombing, U.S. bombing over there, or naval action?

THE PRESIDENT. I don't think it is appropriate for me to forecast any specific actions that might be taken. I would simply say that any military actions, if taken, would be only taken following the actions under our constitutional and legal procedures.

ENERGY PROGRAM

[7.] Q. Mr. President, some critics of your energy and tax proposals say that it looks like a "made in Detroit" plan and that it is more an effort to rescue or revive the auto industry in that it does not attack the horsepower and weight of automobiles and the gas-guzzling machines. I would like to ask you whether you considered these options and, if so, why you rejected them.

THE PRESIDENT. I can assure you, Mr. Lisagor [Peter Lisagor, *Chicago Daily News*], we considered every option, including the options that some are talking about—gas rationing, closing gas stations on Sunday, and things of that nature—but we did not think any of those proposals were the right solution.

Let me just take one that you mentioned—a tax on new automobiles, I assume, that had a high horsepower. Well, I really do not think that is any solution, because automobiles in that category are not the ones that are bought by most people. So, the impact really would be minimal.

All of these little pieces that people talk about are not a part of a comprehensive plan, the kind of a program that I have submitted to the Congress and to the American people.

Until someone comes up with a total plan, such as we have come up with, I think it is unfortunate to have this rather limited criticism.

ECONOMIC AND ENERGY PROGRAMS

[8.] Q. Would your plan come apart if any piece of it were not approved by the Congress?

THE PRESIDENT. I think it is so comprehensive that one piece not being implemented would not bring about its downfall. But I can assure you that it is so well-integrated that every piece is essential if we are to achieve the maximum result, which is no vulnerability against foreign sources of energy after 1985.

THE CONGRESS

[9.] Q. Mr. President, in recent days the Democratic Caucus seems to have emerged as the power up in the House. How can you, as the President, deal with the caucus instead of the more traditional power bases such as Speaker, minority leader, committee chairmen?

THE PRESIDENT. Well, I know and have worked with many of the new forces that have emerged in the House of Representatives on the Democratic side. I will, of course, concentrate my working relationship with the Speaker and with the majority leader and the other elected leaders, but I will also, of course, be required to work with the committee chairmen, whoever they may be. We will have to be very pragmatic as we try to get our legislation through, and that means working with the majority from the top to the most junior Member.

THE MIDDLE EAST

[10.] Q. Mr. President, I would like to follow up on Helen Thomas' question. There has been considerable discussion, as you know, about this question of military intervention in the Middle East, and you and others have said that it might be considered if the West's economies were strangled. Mr. President, as you know, the Charter of the United Nations says that all members shall refrain in their international relations from the threat of the use of force against the territorial integrity or political independence of any state.

Now, Mr. President, I would like to know whether this section of the Charter of the United Nations was considered, taken under consideration before these statements were made by members of the Administration, and if not, why not?

THE PRESIDENT. Well, the hypothetical question which was put to Secretary Kissinger, a hypothetical question of the most extreme kind, I think, called for the answer that the Secretary gave, and I fully endorse that answer.

I can't tell you whether Secretary Kissinger considered that part of the United Nations Charter at the time he made that comment, but if a country is being strangled—and I use “strangled” in the sense of the hypothetical question—that, in effect, means that a country has the right to protect itself against death.

Q. Mr. President, would a new oil embargo be considered strangulation?

THE PRESIDENT. Certainly none comparable to the one in 1973.

NATIONAL HEALTH INSURANCE

[11.] Q. Mr. President, your fiscal austerity program—because of that, will you have to abandon plans for a national health insurance?

THE PRESIDENT. Unfortunately, the “no new program” guideline that I laid down does mean the deferral of any recommendation by me of a national health insurance program.

BUDGET DEFICIT

[12.] Q. Mr. President, when you were minority leader of the House, would you not have been horrified by a President who proposed to—who predicted a \$30 billion deficit and then proposed a big tax cut on top of it?

THE PRESIDENT. Well, I am horrified as President. [*Laughter*] But unfortunately, because of the economic problems we have—the recession—our revenues have dropped very substantially. And because of the recession, we have had to pay out substantially more in unemployment compensation and for the Public Service Employment Act. The net result is that we were looking at a \$30 billion-plus deficit, whether we did anything.

And in order to stimulate the economy and to provide jobs and to get money back into the hands of the American people, I felt that in these extenuating circumstances that a tax reduction or rebate was absolutely essential, and I believe that it is the right medicine for our current illness. And I think if we had done nothing, the patient would have been in much worse condition.

REPUBLIC OF VIETNAM AND CAMBODIA

[13.] Q. Mr. President, does the state of the American economy permit additional military and economic aid to Vietnam or Cambodia?

THE PRESIDENT. I believe it does. When the budget was submitted for fiscal 1975, in January of 1974, the request was for \$1.4 billion for military assistance. The Congress cut that to \$700 million.

The request that I will submit for military assistance in a supplemental will be \$300 million. I think it is a proper action by us to help a nation and a people prevent aggression in violation of the Paris accords.

AMNESTY PROGRAM EXTENSION

[14.] Q. Mr. President, the deadline for draft deserters and draft dodgers is about to run out for your amnesty program. I was just wondering—are you considering extending that deadline, or will it die as it's now scheduled?

THE PRESIDENT. I am in the process right now of analyzing whether there should be an extension of the amnesty program beyond the January 31 deadline. I have not made a final decision on that at this point.

THE SOVIET UNION

[15.] Q. Mr. President, could you bring us up to date with an evaluation of the state of détente with the Soviet Union in the light of what happened to the trade agreement?

THE PRESIDENT. It is my judgment that the détente with the Soviet Union will be continued, broadened, expanded. I think that is in our interest, and I think it is in the interest of the Soviet Union.

I, of course, was disappointed that the trade agreement was canceled, but it is my judgment that we can continue to work with the Soviet Union to expand trade, regardless. And I would hope that we can work with the Congress to eliminate any of the problems in the trade bill that might have precipitated the action by the Soviet Union.

GASOLINE RATIONING

[16.] Q. Mr. President, would you consider gasoline rationing if that was the choice you were given by Congress and they rejected your plan for increased taxes?

THE PRESIDENT. I think it is the obligation of the Congress, if they favor gas rationing, to make it mandatory. I do not approve of it because I think it is the wrong solution to the problem.

Gas rationing, as I indicated, does not provide any stimulant whatsoever for alternative sources of energy. It would not provide us any of the wherewithal to find new sources of energy, whether it is solar, geothermal. It would not provide us any capability of further exploration of crude oil.

I think gas rationing would provide many inequities. As I illustrated in my opening statement, in my judgment gas rationing would provide an inflexible answer to a problem that has to be solved by some new initiatives, and a 5-year

to 10-year gas rationing program, which is what it would have to be, would hamstring rather than help our solution.

OIL IMPORT FEES

[17.] Q. Mr. President, if requested by Congress, would you consider postponing for a time—90 days perhaps—your plan to increase the tariff on imported oil?

THE PRESIDENT. I think it is important for the Congress to understand, in the solution of the energy program, that we should move forward and not take a backward step.

If we were to postpone the imposition of the \$1 extra per barrel on imported oil, it would start the momentum going for the cutback of 1 million barrels per day in foreign oil imports, and the sooner we start that, the better it will be in the conservation of energy, which is essential to our present and future well-being.

REPUBLIC OF VIETNAM

[18.] Q. Mr. President, a two-part followup on Vietnam. What is your assessment of the military situation there, and are you considering any additional measures, beyond a supplemental, of assistance to the South Vietnamese Government?

THE PRESIDENT. The North Vietnamese have infiltrated with substantial military personnel and many, many weapons in violation of the Paris accords. They are attacking, in many instances, major metropolitan areas and province capitals.

The South Vietnamese are fighting as skillfully and with firmness against this attack by the North Vietnamese. I think it is essential for their morale as well as for their security that we proceed with the supplemental that I am recommending, which will be submitted either this week or next week.

Now, I am not anticipating any further action beyond that supplemental at this time.

THE NATION'S ECONOMY AND UNEMPLOYMENT

[19.] Q. Mr. President, you have painted a pretty bleak picture of the economy. Just what can the American people expect in the months ahead? How high will unemployment go, and how soon will your medicine start taking hold?

THE PRESIDENT. Well, you can get a variety of answers as to how high unemployment will go, but you can take one figure of 7.5 percent, some say over 8 percent. Either figure is too high. And my program, if implemented by the Congress, will remedy the situation.

Now, it seems to me that by the late summer we ought to see a turnaround

both as to economic activity and, I hope, a betterment in the unemployment figures.

THE CONGRESS AND FOREIGN POLICY

[20.] Q. Mr. President, in your State of the Union Message, you urged Congress not to restrict your ability to conduct foreign policy. Did you have in mind Senator Jackson's amendment on the emigration of Soviet Jews, and do you consider this to be an example of the meddling by Congress in foreign policy?

THE PRESIDENT. I don't wish to get in any dispute with Members of Congress. I think that such restrictive amendments as the one that was imposed on the trade bill and the Eximbank legislation and the limitation that was imposed on several pieces of legislation involving the continuation of military aid to Turkey, those kind of limitations, in my judgment, are harmful to a President in the execution and implementation of foreign policy.

I don't think that I should speculate as to what actually precipitated the action of the Soviet Union in the cancellation of the trade agreement.

VIETNAM CONFLICT

[21.] Q. Mr. President, in an earlier Vietnam question you left open the option for yourself of possibly asking Congress for the authority to engage in bombing or naval action in the future. In light of the lengthy involvement by the United States in Vietnam and the pains that that created, can you say now whether or not there are any circumstances under which you might foresee yourself doing that, or would you care to rule out that prospect?

THE PRESIDENT. I don't think it is appropriate for me to speculate on a matter of that kind.

SOCIAL SECURITY AND FOOD STAMPS

[22.] Q. Mr. President, you have proposed a 5-percent ceiling on the automatic cost-of-living increase attached to social security, and your Administration has, in addition, proposed an increase in the amount of money that the elderly poor must pay for food stamps. Do you stick by both of those positions? What do you say to those who argue that the elderly poor are being asked to assume an unfair burden of the hardships and sacrifices?

THE PRESIDENT. I think it is proper to indicate that I am not requesting Congress to keep the social security payments at the present level. I am saying that in order to have a total effort in this country, to combat inflation and to help the economy, that there should be a 5-percent increase, but no more.

I think that is a fair recommendation under the circumstances, and I would

say that the requirement that requires that people who want food stamps pay 30 percent of their income is also a proper requirement.

GENERAL SECRETARY BREZHNEV OF THE SOVIET UNION

[23.] Q. Mr. President, in view of the rapport you seem to have established with Mr. Brezhnev at Vladivostok, can you shed any light on the conflicting reports about his current political and personal health? Specifically, have you had any direct contact with him since your trip?

THE PRESIDENT. I have not had any direct contact. We have communicated on several occasions, but we have had no personal or direct contact.

GASOLINE RATIONING

[24.] Q. Mr. President, can we assume by your comments here and objections to gas rationing, that you would veto a gas rationing program if it were to come to the White House for you to sign?

THE PRESIDENT. I have said that I would not hesitate to veto any additional spending programs or new programs that would cause new spending. I have pretty well outlined the objections which I think are valid against any gas rationing program.

Now, if the Congress wants to require mandatory gas rationing, that is a judgment they can make, as bad as I think it would be; and a program of that kind that was a superficial answer, in my judgment, I would veto.

FUEL OIL PRICES

[25.] Q. Sir, as we all know, the State of the Union says that the price of fuel oil in this country is so great now that people cannot pay it. They are telling their Congressmen this. You propose to put an additional price on that on February 1 and then give them back, as an offset, a rebate in tax in May and September. How are the people going to pay these fuel bills in the meantime?

THE PRESIDENT. I think you have not analyzed the energy tax reduction in full. The money that would go back to individuals—the \$19 billion—because of added energy costs, would go back to them through the change in the withholding tax and by—to the poorest—an \$80 payment per person, any individual who was an adult.

So, I think the payback or the reduction in taxes would coincide with any added energy payments they would have to make.

WAGE, PRICE, AND PROFIT CONTROLS

[26.] Q. Mr. President, the figures show that last year the United States had an inflation of 12.2 percent—the highest in its peacetime history. You have

expressed in the State of the Union and elsewhere your fear that your programs for stimulating the economy may bring back a new surge of inflation in future months. Under those circumstances, don't you think it would be prudent to ask Congress for standby authority for wage and price controls and some restraint on profit margins if this happens?

THE PRESIDENT. I do not believe, in the economic environment we are in today, that standby price and wage controls are the right remedy. I do not think that any profit control is a proper remedy, either.

The free economy over the years has proven to be the best answer, and our experiences in the last several years with wage and price controls has been not a very good one. So, I personally think, in the current circumstances, that we should not have standby or mandatory price and wage controls.

INFLATION AND RECESSION

[27.] Q. In that event, Mr. President, have you and your advisers been concerned, or had any anxiety that this cycle of inflation and recession, inflation and recession—this cycle, this dreary cycle—really will just continue year after year and, at some point, one or the other of them will get completely out of control?

THE PRESIDENT. My economic program is aimed at stimulating the economy sufficiently to get us over the immediate recession we are in at the present time. And I believe if the Congress will take the actions that I have recommended to slow down the growth of spending and, at the same time, pass the energy program that I have recommended, we can continue to make headway against inflation and, at the same time, get over the hump of our current recession.

VIEWS ON THE PRESIDENCY

[28.] Q. Mr. President, you are now approaching 6 months in office. Could you tell us a little bit about how you like the job, about your personal philosophy towards it?

THE PRESIDENT. Well, I think I have said several times that I enjoy the challenge of the job. It is not an easy one, but I enjoy the day-to-day responsibilities, challenges. I work hard at it. I try to have an open-door policy to Members of Congress, to the public, and to the Administration members individually as well as collectively.

I feel we are making headway, and we can and will make more headway if the Congress will work with me on some of these problems.

TAX REBATES

[29.] Q. Mr. President, I would like to ask you, please, in view of the lack of confidence which has been expressed in the economy to date, what makes you think that your proposal for tax rebates would provide any real stimulus to buying powers so the public would spend its way out of a recession? What makes you think that it won't all be eaten up in higher fuel taxes and the rest will be put in the bank for lack of public confidence?

THE PRESIDENT. Well, the \$12 billion tax rebate predicated on 1974 income taxes, if the Congress acts promptly so we can make the first payment in May, will provide a stimulant; and the tax refunds or tax reductions that will be predicated on the energy package will also, in my opinion, be helpful as far as the economy is concerned.

Now, I can't tell you how people are going to either spend or save the money that they will get in the rebate, but if they spend it, that is good. If they save it, that might be helpful, too, because it will go into a bank or a savings and loan, and it will provide funds for the housing market, for the sale of automobiles.

In either case, I think there will be benefits and advantages to the rebate.

MR. CORMIER. Thank you, Mr. President.

THE PRESIDENT. Thank you very much. It is nice to be here. We will do it more often now.

NOTE: President Ford's sixth news conference began at 2:04 p.m. in Room 450 of the Old Executive Office Building. It was broadcast live on radio and television.

37

Remarks Upon Signing Instruments of Ratification of the Geneva Protocol of 1925 and the Biological Weapons Convention.

January 22, 1975

Members of the Congress, Mr. Secretary, distinguished guests:

This is a very auspicious occasion. I am signing today the instruments of ratification of two important treaties that limit arms and contribute to lessening the horror of war.

The first, the Geneva Protocol, prohibits the use in war of lethal and incapacitating chemical and bacteriological weapons. Its ratification completes the process, I should say, which began nearly 50 years ago in 1925, when the United States proposed and signed the protocol.

The United States, I am glad to say, has always observed the principles and objectives of the protocol. The ratification today marks our formal commitment.

Although it is our position that the protocol does not cover riot control agents and chemical herbicides, I have decided that the United States shall renounce their use in war as a matter of national policy, except in a certain, very, very limited number of defense situations where lives can be saved. This policy is detailed in the Executive order that is being issued today.¹

The second treaty that I am signing is the Biological Weapons Convention, which prohibits the development, production, and stockpiling of bacteriological weapons.

It is the first international agreement since World War II to provide for the actual elimination of an entire class of weapons—namely, biological agents and toxicants.

As evidence of our deep commitment to the objectives of this Biological Weapons Convention, we have already destroyed our entire stockpile of biological toxicant agents and weapons. Our biological warfare facilities have been converted to peaceful uses.

The final act in the process of ratifying this convention requires the deposit of the Instruments of Ratification in Washington, London, and Moscow, which will be done when the United Kingdom and the U.S.S.R. complete their respective ratification procedures.

Finally, I believe that these acts of ratification demonstrate the desire of our Nation to create and to contribute to a more peaceful world, and I pledge to you that I will continue in the search for new measures to promote that cause.

I congratulate the Members of the Senate, the Members of the House, and the American people for backing and supporting action of this kind. So, I will sign both.

NOTE: The President spoke at 12:39 p.m. in the East Room at the White House. In his opening remarks, he referred to Secretary of State Henry A. Kissinger.

Texts of the Geneva Protocol of 1925 and the biological weapons convention are printed in *Treaties and Other International Acts Series* (TIAS 8061 and 8062, respectively).

¹The President signed Executive Order 11850, renouncing certain uses of chemical herbicides and riot control agents in war, on April 8, 1975.

38

Statement on the Geneva Protocol of 1925 and the Biological Weapons Convention. *January 22, 1975*

I HAVE signed today the instruments of ratification of the Geneva Protocol of 1925 and the Biological Weapons Convention, to which the Senate gave its advice and consent on December 16, 1974.

With deep gratification, I announce the U.S. ratification of the protocol, thus completing a process which began almost 50 years ago when the United States proposed at Geneva a ban on the use in war of "asphyxiating, poisonous or other gases."

While the ratification of the protocol has been delayed for many years, the United States has long supported the principles and objectives of the Geneva Protocol.

The protocol was submitted to the Senate in 1926 and again in 1970. Following extensive Congressional hearings in 1971, during which differing views developed, the executive branch undertook a thorough and comprehensive review of the military, legal, and political issues relating to the protocol. As a result, we have defined a new policy to govern any future use in war of riot control agents and chemical herbicides. While reaffirming the current U.S. understanding of the scope of the protocol as not extending to riot control agents and chemical herbicides, I have decided that the United States shall renounce as a matter of national policy:

- (1) first use of herbicides in war except use, under regulations applicable to their domestic use, for control of vegetation within U.S. bases and installations or around their immediate defensive perimeters,
- (2) first use of riot control agents in war except in defensive military modes to save lives, such as use of riot control agents in riot situations, to reduce civilian casualties, for rescue missions, and to protect rear area convoys.

This policy is detailed in the Executive order which I will issue today. The order also reaffirms our policy established in 1971 that any use in war of chemical herbicides and riot control agents must be approved by me in advance.

I am very pleased to have signed a second international agreement, entitled the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction. This is the first such agreement since World War II to provide for the actual elimination of an entire class of weapons. As you may recall, the

United States had already unilaterally renounced these weapons before the convention was negotiated. Our entire stockpile of biological and toxin agents and weapons has been destroyed, and our biological warfare facilities have been converted to peaceful uses.

The convention provides that it will come into force upon the deposit of instruments of ratification by the three depositaries—the United States, the United Kingdom, and the U.S.S.R.—and at least 19 other countries. Thirty-seven countries have already ratified the convention. The United Kingdom has completed the parliamentary procedures for ratification, and the Soviet Union has announced its intention to ratify very soon. While I have signed the U.S. instrument of ratification today, its deposit will be deferred until we have coordinated that action with the United Kingdom and the U.S.S.R.

It is my earnest hope that all nations will find it in their interest to join in this prohibition against biological weapons.

39

Remarks at a Dinner Meeting of the Conference Board.

January 22, 1975

Thank you very much, Fletch. Sandy Trowbridge, officers, members, and guests of the Conference Board:

It is a great privilege and a very high honor to have the honor of participating in this evening. I have had a number of fond memories of previous experiences and exposure to the Conference Board, and each and every one has been a great experience, and I thank you for tonight as well as for those in the past.

I do welcome this opportunity to meet and to speak with this leadership group representing the American business community and to discuss, as I see it, some of our common problems. In that regard, your invitation to be here tonight could not have been better timed.

Last week, as some of you may have noted, I spoke to the American people and to the Congress about the state of the Union. And in the circumstances in which we live today, the state of the Union really boils down to the state of the economy.

I outlined during those several speeches a fair and a balanced program of economic measures: a \$16 billion tax cut, a ceiling on increases in Federal salaries and cost-of-living-related payments, and a moratorium on new, non-energy Government spending programs.

In the State of the Union, I urged the Congress to begin the active consideration of these proposals at once so that the jobless, hard-hit industries and beleaguered American consumers and taxpayers can begin benefiting from these proposals at the very earliest opportunity.

And in this connection, if I might, let me address myself to one of the aspects of my program that has stirred some controversy. I have said repeatedly that the main burden of this recession must not fall upon those least able to afford it—our low-income citizens. But at the same time, we must take care not to penalize middle-income citizens just because they have been more financially successful than others.

I am mindful of the criticism from some quarters of my proposal for a proportionate tax rebate for middle-income as well as lower-income citizens. Some critics contend, of course, that rebates should only go to those with low incomes.

I happen to believe it would be a mistake to seek a solution to the problems of recession by penalizing middle-income Americans. Nothing would more effectively put a lid on the ambitions and enterprise and hard work of this important segment of Americans to continue up the economic ladder—for the sake of their children, if not themselves.

In the process of developing my remarks for tonight, we did a little research, and here are some facts that I think are worthy of your consideration:

Half of the families in this country today earn between \$10,000 and \$25,000 per year; one-third have earnings in excess of \$15,000 per year. Although it is a little known fact, more than half of the personal income taxes in this country are paid by people with incomes over \$20,000 per year.

What I am saying, or trying to say, is this—and I want to say it so there will be no misunderstanding: We need fair tax relief, the tax relief that will help not only the poor but also the middle class—the skilled workers, farmers, teachers, reporters, editors, secretaries, salespeople, truckdrivers, policemen, firemen, and other hard-working, middle-income Americans who have seen their earnings and future eroded by inflation and recession.

So, in short, let us not strip incentives from these upward-bound millions who are struggling to improve their lives and their children's lives by serving notice that America no longer rewards those who make it from low- to middle-income status and beyond.

However, I really did not come here this evening simply to repeat my State of the Union Message, and I won't. In this forum, I will not discuss the past; it

is beyond our control. Instead, I will discuss where we are headed, because there, individually and collectively, we have a real choice.

To use an economic term, I believe that there are several vital trend lines running through the American Government and the American economy that are headed very definitely in the wrong direction. And the time to redirect them is right now. That is what I meant when I referred to the new directions in the economy, a series of critical, long-range changes that can put our domestic house in order and prepare us adequately for the challenges of the future.

Tonight, I will address myself specifically to three of the main areas where the trends, in my judgment, need to be redirected: Federal spending, defense policy, and profits and investment. All three happen to be very closely related. All three—and the way we approach them—will vitally affect the quality of life and government in America in the years ahead.

Foremost among these is Federal spending. More than a generation ago, a trend was set in motion by politicians and pundits who began to advocate massive Federal spending as a sure and certain way to social progress. This massive spending took the form of income redistribution: redistribution of programs such as food stamps, social security, Federal retirement benefits, and so forth, programs under which a qualified citizen is automatically entitled to specified benefits.

These programs, sometimes known as transfer payments, will total \$138 billion in fiscal year 1975—that is this current fiscal year—and will constitute 44 percent of our 1975 fiscal year expenditures. In terms adjusted for inflation, these payments have been growing at an annual rate of 9 percent for the past 20 years.

In 1955, and even in 1965, these programs were still only a very modest part of our total Federal budget, but even small numbers become large after compounding 20 years of 9 percent per year.

The continuation of these programs at anywhere near this rate of growth, which is more than twice that of the gross national product, in my judgment, is very ominous. In fact, even if other sectors of the Federal budget and State and local expenditures grow modestly in real terms, this trend will mean that within the next two decades government expenditures at all levels could eat up more than half of our gross national product. They already account for close to one-third.

I ask you to reflect for just a moment, think of what this would mean to the average American. If government were to take more than half the gross na-

tional product, this would be a profoundly different country. It would be a terribly different country in which we would live.

The tax burden of the average American family and business would be staggering. To control the economy that much, government would have to exert ever-increasing direction over the daily lives of its citizens. Much of our incentive, much of our enterprise, and much of our freedom, as I see it, would be stilled in private business, and private business efforts would be largely stifled. It would be my best judgment that our economy would stagnate.

We cannot allow this to happen. I think we have got to turn this trend around. To the extent that I possibly can, I intend to do so.

In that regard, I repeat here tonight the pledge I made to the Congress last week: Except for energy, I will ask for no new spending programs and will fight to reduce the growth of Federal spending before it is too late.

That sounds very logical, and I happen to think it is. In pure economic terms it definitely is; but in the real world where politics, idealism, emotionalism, and confusion all mix together with economics, I must confess, it is not as easy as it might seem.

The American people are very generous. We are a compassionate people, and with justifiable pride we have prided ourselves on our responsiveness to those in our society less fortunate than ourselves. But as we are now beginning to realize, we cannot give away any more than what we have.

Whenever I make that statement I am reminded of something I have used in speeches before, but I think it is perfectly appropriate here: A government big enough to give us everything we want is a government big enough to take from us everything we have. The Government cannot, in my judgment, overspend year after year without doing drastic damage to the economy and harm every one of our citizens.

Now, I fully realize that many in the Congress will find it very difficult to support spending limitations in programs that they have advocated and sincerely believed in over the years. But in the crisis that we face right now, I think it has to be done.

And I might say—to provide some incentive and cooperation—as a starter I intend to invite to the White House, at their earliest convenience, members of the new budget committees of the Senate and House to confer with me on the problems that I have outlined.

To continue the course that we are on is wrong; we definitely need a redirection. And this brings me to the second of the three trends, the direction of defense policy.

There is a fashionable line of thinking in America today, as widespread as it is false, that all we need to do to get Federal spending back in line is to hack away at the defense establishment. There is nothing new about this approach. Unfortunately, it is an error that seems to be endemic to Western democracies in times of peace. Again and again, while totalitarian powers of one kind or another have maintained or expanded their military strength in peacetime, the democracies, primarily in the West, have neglected strong national and allied defense, hoping for the best, but seldom preparing for the worst.

In our own case, defense outlays have remained virtually level in constant dollars from 1969 to 1974. Since 1969, our military manpower has been reduced by over 40 percent—if I recall the figures correctly, about 1,200,000 less in active duty in our military.

In 1968, for example, at the peak of the Vietnam war, personnel costs for the Department of Defense were only 42 percent of total military expenditures. This fiscal year, 1975, personnel costs have risen to 55 percent of the \$85 billion defense budget—in other words, from 42 to 55 percent in the short span of approximately 4 to 5 years.

This dramatic shift in how we allocate our defense dollars has prevented us from doing all we should in research and development and the procurement of modern weapons and equipment. In many areas, as a consequence, our military services are faced with a very serious bloc obsolescence in arms as well as material.

You know, the fashion is to deride excessive defense spending. The fact of the matter is that defense outlays have been a dwindling part of our gross national product, falling from 8 to 9 percent in 1969 to less than 6 percent by 1976.

If the current declining defense trend continues, we will soon see the day—and so will others—when our country no longer has the strength necessary to guarantee our freedom, to guarantee our security in an uneasy world.

We cannot let this happen. The defense budget I am about to propose to the Congress will not let this happen. And this brings me to the third area of discussion this evening. For just as a strong defense establishment protects our way of life, a strong, free economic system provides the goods, the jobs, and the chance for upward mobility that have made us a land of opportunity and a great land of abundance.

But if our economy is to grow and prosper, we have to encourage investment. A rising standard of living implies rising output per man-hour, and that requires even more investment per worker. To support every new job, industry must

now add more than \$25,000 of equipment and plant. And that, of course, requires adequate profit and adequate investment.

Profit margins have been gradually declining since the end of World War II. Cash flow, as a consequence, has been less than adequate, especially in recent years. This has meant that corporations have had to borrow very heavily to finance capital investment. The financial capability of many corporations has accordingly been strained. All of this is especially discouraging since output per man-hour has fallen steadily for the last 2 years.

If we are to maintain our productivity, we must provide each worker with the machinery and the equipment he needs to do his job with pride and with efficiency. But in order to ensure adequate investment, we must end the downward trend in corporate profitability.

My tax program, which was submitted to the Congress last week, moves very directly in this direction, by leaving more business earnings in the private sector where they can be invested in increased productivity and new jobs.

I call on you with as much hope and fervor as I can to join with me to change these basic trends in our economy. And the first step is to get the process of Congressional action started now.

And if I might interpolate for just a minute, I submitted a comprehensive, action-oriented program, both for the economy and for the solution of our energy problems. I recognize that in the Congress, with 535 Members, House and Senate, there can be honest disagreements as to this part or that part.

But it seems to me that the Congress, individually or collectively, if they disagree, should not nit-pick, should not pick on this part or that part. If they do not agree, they ought to step up with a comprehensive alternative rather than try to move in a backward way.

I can imagine nothing more disappointing to the American people than to have the Congress deprive the President of the United States of a capability to force action both in the economy and in energy, as some Members of Congress are apparently willing to do.

And let me say, if I might, I am going to sign the declaration tomorrow to force action by the Congress so that the country will have action, not limitations, in the months ahead.

I happen to believe—as you can tell, I guess—that the economic and energy programs that I proposed to the Congress can turn and will turn, in my judgment, a period of danger into an era of opportunity. Through it, we can change our course, we can help put the unemployed back to work, we can spur increases in productivity and output, we can achieve energy independence, and through

our own renewed economic vitality, we can help bring prosperity and stability to a troubled world.

I am old enough to know that we have faced hard times before, individually and collectively and as a nation. And as I look back over the pages of history, in the time in which I have lived, we have met those challenges.

I was thinking this afternoon, I can remember a few Christmases in my own youth when about the only thing we had to offer each other as a family was the love we happened to feel in our hearts and the faith that together we could see things through to a better world. You know what it did? It made us work harder, study harder, and in a way, I think, it brought out those kind of qualities of strength and character that none of us in those days thought we had.

Oh, I know this may sound a bit nostalgic—it does not have much economics in it—but if the economic problems could be solved by dry theories alone, there would not be any economic problems left, just a lot of surplus theories and a lot of unemployed economists looking for new ways to ply their trade.

I happen to believe in a free economy. I believe it unquestionably has the stamina and the resiliency to recover if we act sensibly and decisively and promptly to get through the present crisis.

I said in the State of the Union Address that there is a vital need for partnership. There must not only be partnership between the Congress and the executive branch but also between the Federal Government and the American people. I also called for a continuing strong program of voluntary action.

I would like to emphasize that particular point again. The plans I have suggested for the economy and energy rely on a freedom of choice—freedom for every American to decide how to conserve on the one hand while still meeting his basic needs. Without the voluntary cooperation of every American, no government plan can really work. It is just that simple.

Each of you, as an outstanding member of the American business community, has a key part to play in this great national undertaking. We need your knowledge, your resourcefulness, and most of all, your faith and your confidence.

With faith in ourselves and confidence in our country, we have performed what amounted to miracles in the past. We need no miracle today, just the kind of calm willingness to work and sacrifice which has carried us through much tougher times before. And I happen to think it will again.

Together, we can turn these misdirected trends around—turn them around and see America on a new course toward a prosperity and a period of progress.

Thank you very kindly.

NOTE: The President spoke at 8:07 p.m. in the Sheraton-Park Room at the Sheraton-Park Hotel. In his opening remarks, he referred to Fletcher L. Byrom, chairman, and Alexander B. Trowbridge, president of the Conference Board.

The board was an independent institution for business and economic research, whose membership included representatives of large and small businesses, labor unions, trade associations, government agencies, and colleges and universities.

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**Message to the Senate Transmitting the United States-Poland
Convention on Income Tax. *January 23, 1975***

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention between the Government of the United States of America and the Government of the Polish People's Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Income as well as a related exchange of notes.

I also transmit for the information of the Senate, the report of the Department of State with respect to this Convention.

The Convention was signed on October 8, 1974, during the visit to Washington of Polish First Secretary Edward Gierek and is the first income tax convention between the two countries. The Convention is similar to other income tax conventions recently concluded by this Government and it is expected to encourage and support the growing interest in bilateral trade and investment between the two countries. It provides rules of tax jurisdiction, reduces or eliminates tax liability in certain cases, ensures nondiscriminatory tax treatment and provides for administrative cooperation.

I recommend that the Senate give this Convention and related exchange of notes early and favorable consideration and give its advice and consent to ratification.

GERALD R. FORD

The White House,
January 23, 1975.

NOTE: The convention and accompanying papers are printed in Senate Executive A (94th Cong., 1st sess.).

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Remarks Announcing Establishment of Oil Import Fees.*January 23, 1975*

IN MY State of the Union Address, I set forth the Nation's energy goals to assure that our future is as secure and productive as our past.

This proclamation that I am about to sign is the first step down the long and difficult road toward regaining our energy freedom. The proclamation will gradually impose higher fees on imported oil, and this will result in substantial energy conservation by the United States.

As we begin to achieve our near-term conservation goals, the Nation will once again be going in the right direction, which is away from energy dependence. Each day that passes without strong and tough action—which this proclamation is—results in a further drain on our national wealth and on the jobs it creates for the American people. Each day without action means that our economy becomes more and more vulnerable to serious disruption. Each day without action increases the threat to our national security and welfare.

This proclamation, which is just as fair and equitable as the law permits, must now be followed by positive Congressional action. The Nation needs a fully comprehensive and long-range energy program, one that increases domestic energy supplies and encourages lasting conservation. To reach our national goals, we need the help of each American and especially their representatives in the Congress.

I look forward to vigorous debate and serious Congressional hearings on our comprehensive energy plan. The crucial point is that this proclamation moves us in the right direction while we work to enact the energy legislation. The tactics of delay and proposals which would allow our dependency and vulnerability to increase will not be tolerated by the American people, nor should they be.

The new energy-saving fees put us on the right path. There are problems ahead. There will be hardships. Let us get on with the job of solving this serious energy problem.

[*At this point, the President signed Proclamation 4341.*]

I don't see anybody clamoring for extra pens. [*Laughter*]

Thank you very much.

NOTE: The President spoke at 4:06 p.m. at a ceremony in the Oval Office at the White House.

42

**Exchange With Reporters Following a Meeting With
Northeastern State Governors. *January 23, 1975***

AS I am sure you know, the Governors from the New England and Northeast United States had a meeting with me. It was a very frank and free discussion of the proclamation which I just signed, a proclamation which in my honest judgment was necessary, not for the purpose of penalizing any State or any industry, but for the purpose of getting action in the solution of our critical energy problem.

The United States today is very vulnerable to foreign oil embargoes. We need a program that will make us invulnerable to the possibility of foreign oil embargoes or any other action. This is firm action by me.

I hope the Congress will move rapidly to enact a comprehensive energy program, an energy program that I think is fair, an energy program that will make us secure against any possible action by any foreign country.

So, if the Congress moves, either on my plan or their own comprehensive plan, moves forward, then the country, our Nation, can be much more secure, not only for the present but for the future.

REPORTER. Mr. President, many of these Governors say their States just cannot afford the higher prices of oil.

THE PRESIDENT. Well, under my plan, of course, the States will get a refund for any added energy costs, if the Congress acts. Under my energy production and conservation program, individuals and businesses will get refunds from the Federal Treasury for any added energy costs. So, I have a plan that is equitable. It awaits Congressional action and I hope that the Congress will move.

Q. Mr. President, you spoke recently of compromise with Congress, not quibbling over details. When Congress—some of the Democratic Congressmen—asked for you to delay your proclamation, you refused to delay it. Is that compromise?

THE PRESIDENT. The Congress is in session. The Congress has an opportunity to act on my program or produce their own, and if the Congress produces an equitable, comprehensive plan, of course I will consider it. But the time for action is now. We have diddled and dawdled long enough. We have to have an energy program in this country, and the only way I know to get it is to take the action that I took, which has, incidentally, produced more action within the last 10 days on energy than I have seen in the last 2 or 3 years.

Q. Do you think the Congress is going to be fast in acting on this program?

THE PRESIDENT. All I can say is the Congress can act fast, and I hope they do.

Q. Do you think you got the support of the Governors today, Mr. President?

THE PRESIDENT. I think I have their support in the need for action, and I hope that they will work with me in producing action, because they can have and, I am sure, will have a very, very beneficial impact on the Congress. Because if my plan is enacted, individuals, State and local units of government, and businesses will get refunds from the additional fees, will stimulate production of alternative sources, and will make our country invulnerable to any foreign oil embargo.

Q. Did the Governors indicate they would file suit, sir, to block your new fees?

THE PRESIDENT. They did not indicate that to me.

Q. Mr. President, are you at all concerned that the Governors do not seem to have been convinced when they left here?

THE PRESIDENT. Well, there is an honest difference of opinion. I respect their views, and I trust they respect mine.

Q. If this becomes a nationwide reaction, what hope is there for progress?

THE PRESIDENT. Well, the Congress has the opportunity to act. The Congress is in session, and the Congress can act on my plan or if they have an alternative plan that is action and equitable, then the Congress has carried out its function. But the Congress right now has the responsibility to act affirmatively.

Q. The Governor of Maine says that you seem to be isolated and listening to just your own aides on this issue.

THE PRESIDENT. I looked at a number of volumes of alternative proposals, a number of options. I analyzed the various options. And after a thorough study and a great deal of consultation, I have put together a comprehensive plan.

Now, what we need as an alternative, if they don't like this, is something as comprehensive, as equitable. And I hope the Congress will take the initiative.

Q. Mr. President, you have indicated a willingness to compromise?

THE PRESIDENT. I have indicated a willingness to compromise, but the Congress has to act in order to have any compromise.

Q. Mr. President, as you know, the chairman of the Ways and Means Committee has said that your tax proposals will be held up by your refusal to delay your proclamation today, because they will have to study that now. I take it that now, energy conservation is your first priority over your tax proposals?

THE PRESIDENT. Not at all. I have indicated to the chairman of the Committee on Ways and Means that I wanted the Congress to act first on the action required to stimulate the economy, and I hope the Congress follows that action.

Q. Mr. President, the Governor of Massachusetts, Dukakis, says that you are holding New England hostage.

THE PRESIDENT. I don't think that is a fair accusation. I can understand why he might say it, but I don't think the facts justify that conclusion.

Q. Mr. President, the people of New England feel that despite the rebates and refunds, they will end up with less dollars in their pockets. How do you answer them?

THE PRESIDENT. According to the statistics that have been produced by the comprehensive survey and analysis that came to me, the total country will be treated fairly and equitably, including New England.

Q. Mr. President, do you think that the general public is behind you on your programs? Do you have a sense of general grassroots support for your plans?

THE PRESIDENT. I think the American people want action. We have been on dead center on trying to produce an energy program for at least 2 to 3 years. There has been a lot of talk, but no real action. And the American people know that we were vulnerable to an oil embargo by foreign countries in 1973; they do not want to go through that critical crisis again. And so, the American people want the Congress and I think the Governors want the Congress to act. That is, all we want is some action affirmatively, not negatively.

Q. Do you think you miscalculated the amount of the opposition in Congress and the Governors on this?

THE PRESIDENT. I fully understand the attitude of the Governors. They have one State to represent, but I have to take a look at the country's need for total action on an energy program to produce alternative sources and at the same time to get conservation so we don't find ourselves being held hostage by any oil-producing country overseas.

Q. Do you think the Northeastern States are feeling an extra hardship or burden out of this phase of the program?

THE PRESIDENT. I don't think that any particular State will be inequitably affected. Under the proclamation which I signed, the New England States are given a better break than the across-the-board imposition of the \$1-per-barrel tax. The States in New England which have a unique problem are given special consideration under the proclamation.

Q. Mr. President, are you going to get storm windows for the White House?
[Laughter]

THE PRESIDENT. Well, if the Congress will appropriate the money.

Q. Is that a new program? [Laughter]

Q. Were you surprised by the strength of the criticism from the Governors?

THE PRESIDENT. No, I fully understand their problem. The Governors, as I said a moment ago, represent individual States, but I have to take a look at the national interest, across-the-board. And my comprehensive energy conservation, energy-producing plan, will solve the problem of energy vulnerability in the United States.

Q. Mr. President, Mr. Jackson and Mr. Ullman¹ said they would try to rescind your proclamation. Is that within their legal right? Can they rescind it?

THE PRESIDENT. The Congress does have the authority to repeal a law, but to take a backward step, in my opinion, is not a way to solve the energy problem.

Thank you very much. It is nice to see you out here.

NOTE: The President spoke at 4:12 p.m. at the West Wing Portico of the White House, following a meeting in the Cabinet Room with the Governors

of New Jersey, New York, Massachusetts, Connecticut, Maine, Rhode Island, Vermont, Pennsylvania, New Hampshire, and Delaware.

43

Remarks to Members of the National Newspaper Publishers Association. January 23, 1975

Thank you very much, Dr. Goodlett. Members of the Cabinet, members of the Administration, ladies and gentlemen:

I welcome you all to Washington and to the White House. And may I say, Dr. Goodlett, that our new Vice President, a man who has had an outstanding record in State government, I am sure will undertake the same kind of liaison one of his predecessors had, and I will personally speak to Vice President Rockefeller, urging that such a similar relationship be developed, if that is the wish and the desire of this organization.

If I might make a comment or two about weeklies, I think the record will show that when I was campaigning 13 times for the Congress of the United States, 12 times for reelection, I put an abnormal percentage of my advertising budget into weeklies. I thought then and I still believe that weeklies are an outstanding means of communication between the publishers and their individuals who subscribe.

I always felt, as I traveled around my own Congressional district, that I could learn more about my Congressional district from those editors than I could from almost any other segment of my constituency. I am sure that all of you fit the same pattern.

¹ Senator Henry M. Jackson of Washington, and Representative Al Ullman, chairman of the House Ways and Means Committee.

I think your visit here today is particularly well-timed. We are in the midst, as you can tell, of many important developments affecting you and all of your readers. I might just say that I came from a meeting with 11 Governors from the northeastern part of the United States where I spent a considerable amount of time to explain to them a problem that they are very concerned about—and I am too—how we are going to equitably distribute the problems that are resulting from an energy conservation and an energy development program.

But this is only one of the many problems that we face here in the United States now, problems that will require considerable sacrifice, problems that will undoubtedly present some hardships. But because of your role, I would like to share some of the Administration's plans with you, and I obviously heard that some of the members of the Administration were trying to not only listen but explain some of the problems we have.

As newspaper publishers serving the black community, it is obvious to me that you occupy a very unique role in the communications industry. You have special insights and very special responsibilities. Sometimes in Washington it is possible to forget the press is much more than the very limited number of newspapers, magazines, and national networks which cover the White House on a daily basis.

But as I tried to say a moment ago, you represent the hundreds of newspapers that look out not only for Washington and the world but inward to the cities, the towns, and various neighborhoods.

Because of my 25-plus years in the Congress, I think I understand on an intimate basis the paved streets and the garbage collections and that they are just as important to our country and to your readers as oil imports. You are there where it counts, channeling local news to your communities and challenging them to solve some of the mutual problems.

In my judgment, one of the most exciting trends in recent years has been the increasing participation of Americans in their local affairs. This has been seen in everything from the formation of block associations to the revision of city charters.

This increased interest reinforces my great, great faith in democracy. This renewed concern for community problems would not have been possible without the good work of news organizations such as those that you individually and collectively represent.

Local newspapers as well as television and radio stations are vehicles for community conversations, and community conversations, even when there are dis-

agreements, are vitally important if we are to mobilize the kind of action that is essential to solve our problems.

Because this group publishes specifically for black communities which were neglected for too many years, you have had to assume some very special and greater responsibilities. Long before the civil rights movement became a national cause, you were communicating to your readers the difficulties faced by blacks, and I know this from the several black newspapers that were published in my own Congressional district.

But now with your greater national awareness of black problems, your role is even more important than ever before. You are on the case, day in and out, and this continued attention is vitally needed.

Blacks in our society have too often been mentally segregated by some thinkers and planners who acted as if blacks did not have the same expectations and problems as other Americans. I promised at the very beginning of my Administration to be President of all the people, and I am keeping that pledge.

I can assure you I intend to do so. The Administration will not slice off a small portion of the pie and say, "This is enough for the 25 millions of Americans who are black." We know that many of the serious problems facing Americans—unemployment, unsafe streets, and unequal education—too often press more heavily on blacks and other minorities.

In drafting the tax rebate proposal, one of the major concerns was to see that the burden of the recession did not fall on those least able to pay or to afford it—our low-income citizens. But at the same time, millions of middle class Americans—black as well as white—have been caught between inflation and recession.

We cannot penalize those who have worked their way up because of their success. I know that you share with me a very deep belief in preserving the upward mobility of our society. In recent years, blacks have made economic and educational gains that must not be wiped out by leaving the middle class out of tax relief.

There are other areas, of course, of black progress that we will not ignore because of the economy. One of the continuing commitments that must be honored is full political equality for all Americans.

As Dr. Goodlett indicated, I told Congress last week that I plan to ask for another 5-year extension of the Voting Rights Act first passed in 1965, renewed in 1970, and up for renewal at this time. This law must not be allowed to expire in August of 1975.

The voting rights law has helped open the way for the election of blacks in all parts of the Nation, and that movement must be continued. As I look back

over the past 25 years, I am reminded of how far America actually has come, of how many barriers have fallen, and the number of prejudices that have been laid to rest.

But more importantly, as I look ahead I know how much work remains before every child born in America has the same opportunities for long life, economic security, and educational achievement. Much has been done. Much remains. But together we can make that necessary progress.

Thank you very, very much.

NOTE: The President spoke at 4:30 p.m. in Room 450 of the Old Executive Office Building to members of the association attending a briefing by Administration officials on the President's economic

and energy programs.

The President was introduced by Dr. Carlton Goodlett, president of the association.

44

Statement on Representative John Jarman's Change in Party Affiliation. *January 23, 1975*

THE ANNOUNCEMENT by Congressman John Jarman, of Oklahoma, that he is changing his political party affiliation from the Democratic to the Republican Party reflects the sincere conviction of a dedicated Member of Congress.

I have known John Jarman throughout his 24 years of service in the U.S. House of Representatives. His career has been marked by a devotion to his district and dedication to reflecting accurately the views of those people he represents.

John and I have discussed his becoming a Republican during recent days, and he has indicated his belief that he can better represent and serve his district under the banner of the Republican Party.

As President, I look forward to working with John during the 94th Congress. His experience, integrity, and long seniority will be of great benefit to the Administration and the GOP Congressional delegation.

As a Republican, I am delighted that John is changing his party affiliation and welcome him to the ranks of the GOP on behalf of all Republicans.

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Interview With John Chancellor and Tom Brokaw of NBC News.
January 23, 1975

ENERGY AND ECONOMIC PROGRAMS

MR. CHANCELLOR. [1.] Mr. President, we have had a request in for an interview for some time, and you have chosen tonight for it. And I must say, on Tom's behalf and mine, we are terribly pleased you picked tonight, because it was quite a news day here at the White House. You were about as busy as you could have been here.

THE PRESIDENT. Well, we were talking, John, and we had a regular schedule of things that in itself was a busy day, and then we had a few little added items that—well, I would rather be busy than sitting around not preoccupied, let me put it that way.

MR. CHANCELLOR. Well, you were busy enough today, and I would like to begin with that. By the stroke of a pen, sir, this afternoon you issued a proclamation that is going to mean people are going to have to pay more for gas. Can we get into that? How much more are we going to pay for gas?

THE PRESIDENT. Well, under the proclamation that I signed today, which I hope is an interim administrative action, there will be some additional payments extracted from foreign oil of \$1 a barrel, and that in and of itself will probably add 2 cents to 3 cents to a gallon of gasoline.

If the Congress acts on the total package, which I hope they will do in a very short period of time, then we will be able to not only collect the necessary funds but we will be able to pay it back. The total cost, when the program gets into complete operation, will probably mean gasoline prices would increase 8 to 10 cents a gallon.

MR. CHANCELLOR. Maybe a little more?

THE PRESIDENT. Well, it is a little hard to tell, but the first increment of \$1 that will be imposed on February 1—it won't go on automatically and immediately, because there are stocks that are in supply, and the total impact on the first dollar won't come for about 55 days—but that will mean 2 to 3 cents increase in the price of gasoline, and as it goes up to \$2, it will go up correspondingly at the filling station.¹

¹ At his news briefing on January 24, 1975, Press Secretary Ron Nessen stated: "When [the President] said 3 cents, he meant that when the full \$3 increase in the import fees gets on, it would be 3 cents a gallon."

MR. BROKAW. Mr. President, I know that you want to convince the people this plan is the correct one, and yet, today on the White House lawn, a number of Governors from the Northeast were downright angry, threatening legal action. There are people on Capitol Hill—on the Democratic side, especially—in the Congress, who think that your idea of a good marriage is roughly the same as Henry VIII's. I wonder if you have not overplayed your hand by taking the action that you did today. A lot of people think it was an arrogant action in an attempt to force Congress to go along with your idea about how to solve the energy package.

THE PRESIDENT. Well, Tom, I think you have to look at it this way—and I told the Governors who were down at the West Wing this afternoon—that in the last 3 years, we have heard from various Administration officials, Members of Congress, my predecessor as President, that we had a serious energy crisis, and of course, that was accentuated by the oil embargo that was imposed in October of 1973. And despite the recognized fact that we do have a problem, a short-range problem and a long-range problem, nothing has really been done to achieve conservation on the one hand or new supplies on the other.

There has been a lot of talk—and I am not critical of anybody—but it had not materialized into any action, either in the Congress or otherwise. It seemed to me the time for conversation had ended and that we had to act. I said a week or two ago in my State of the Union Message that I was only taking this action as a way to stimulate Congressional action.

If I had backed off, there would have been two, I think, adverse impacts. Number one, I think the Congress would have delayed longer in acting. Number two, I think it would have been a sign of weakness around the world that we could not make up our mind, that we could not act decisively, we could not find a remedy. So, even though I have been charged with being a little hard-headed on this, in my judgment, the time for action had come. And I think it will bring action, the right kind of action.

MR. CHANCELLOR. Mr. President, your problem involves taking some money from the taxpayers and giving back money to the taxpayers, and it is kind of tricky.

As I understand it, you are going to take money from the taxpayers in terms of what they have to pay for energy and some food and plastics and metals and all the things that are related to that. You are going to ask the Congress to give some of that money back through tax cuts. What happens if the Congress doesn't move?

THE PRESIDENT. Well, the action that I have taken, John, is only administrative action up to and through, prospectively, April 1. If the Congress has not acted in roughly 3 months—and I certainly hope they will—I can, of course, remove the import duty that I have imposed. I have the flexibility—it is \$1 the first month, \$2 the second, and \$3 the third. I have the flexibility to retain it at \$1 or to leave it at \$2. I just hope the Congress understands the need and necessity for new legislative action.

I think my proposal of taking money from the economy and giving it back will mean equity in the first place; it will help us conserve energy in the second; and it will provide the wherewithal for us to develop and explore for new sources of energy.

Now, this is a well-balanced program. If the Congress can improve on it, I am more than glad to cooperate with them. But the time for action had come, and that is why I took the rather stern action today.

MR. BROKAW. Mr. President, you have been quite adamant in your resistance to some of the proposals that have come from Congress. For instance, a number of the leaders, including Mike Mansfield, have talked seriously about gas rationing, and the White House opposition and criticism of gas rationing has been, I think, clear to everyone. You just wouldn't sign it under any conditions. So, where is the give-and-take in the program?

THE PRESIDENT. Well, Tom, I think you bring up the very fundamental question that I had to decide as we worked for about 2 months on what was the best approach, as we saw it.

What are we trying to do? That is the main thing, Tom. We are trying to conserve energy in the first instance, and we are trying to provide funds for exploration and development of new sources of energy. And we are seeking, basically, to remove our country's vulnerability from foreign oil and energy sources. I was presented with two volumes of options, or alternatives, covering the whole spectrum of conservation and new sources of energy.

We took a look at gas rationing. We took a look at the allocation of crude oil and the derivative products. In the case of gas rationing, here is what I found, and I think it is accurate.

I found, for example, that it wouldn't be gas rationing for 6 months or a year. This is a 10-year program of conservation. So when we put gas rationing on, it would have to be for a minimum of 5 years and probably 10 years.

Well, in World War II, we had gas rationing for 4 or 5 years during a serious crisis, and even then we had black marketeering, we had cheating. And in peacetime, gas rationing for 4 or 5 or 10 years I just don't think would work.

In addition, we found this: that everybody thinks that if you have gas rationing they are going to get their full share, and somebody else, or everybody else, is going to cut back.

Let me give you this statistic, if I might. There are about 140 million licensed automobile drivers in this country and there is approximately 270 million gallons of gasoline a day, which means that if you divide the number of drivers into the availability of gasoline, it means about a gallon and a half per person per day, or about 9 gallons per week, or 36 gallons per month. And that is a cutback from the average of 50 gallons at the present time, because we have to save that much.

Now, how many people can get along on a gallon and a half of gasoline, or 9 gallons a week? That is the way the mathematics works out.

So, when you look at the impracticabilities—the inequities, in my judgment—gas rationing would not work.

MR. BROKAW. Mr. President, you have obviously done your homework on the gas rationing question, but I don't think that anyone in Congress is proposing only gas rationing, but perhaps the combination of gas rationing and other factors. The question still is, if you are willing to change your program and to let Congress go into it, where are you willing to let Congress change it?

THE PRESIDENT. Well, I think you can find some options, for example, in the most dire necessity of having to put a lid on the actual imports. In other words, if we take in from foreign sources as we are today about 7 million barrels a day of foreign oil, if a conservation program like I have proposed does not work, then I think we might have to move to arbitrary allocations. I think that is a less desirable answer, but it is a possible answer.

MR. BROKAW. Mr. President, do you blame people for being skeptical about your plan, given the record of your advisers in the economy and other areas? It was not very long ago that people around here were wearing WIN buttons and talking about 5-percent tax surcharges, for instance. So, can you blame the American public and Congress for being more than a little skeptical that this one will work out just as you say it will?

THE PRESIDENT. I think there is always room for some difference of opinion, and I must say that I don't contend that my proposal is 100 percent right, because the options that I had to look at—there were some honest differences of opinion.

But you did indicate that the proposal for the economy that I submitted last October might not have been the right answer. I happen to think in October it was the right answer. But in the interval, between October and January, there

were some very, very precipitous actions in the economy that nobody foresaw. We had the economic summit, as you know, Tom, and nobody at that summit told us that automobile sales were going to drop off as suddenly as they did in November and December and in January.

Nobody who testified or spoke indicated that the unemployment would go up as rapidly as it did. What we have done in the proposals that I submitted on January 15 was to take into consideration the dropoff in automobile sales, the tremendous increase in unemployment, and to tailor our plan or program to meet unemployment, to provide jobs; because in the meantime, inflation had moderated, or the rate of inflation had moderated, so there was a change of economic circumstances, and in reality, I had to be flexible enough to change the emphasis.

MR. CHANCELLOR. Mr. President, it seems to me I heard you say a few minutes ago that if the program you started today doesn't work, that you would go to allocations. Could you expand on that a little bit, how that would work? Wouldn't that require a sizable bureaucracy in itself?

THE PRESIDENT. No, I think it would be much less bureaucratically a burden than gas rationing. I didn't mention in the conversation with Tom the number of bureaucrats that I am told it would take for gas—15 to 20 thousand for gas rationing.

But you see, when the foreign crude oil or the products of crude oil come in from overseas, it is much easier to handle that than to handle the allocation through rationing at the gas station or through the 30 or 40 thousand post offices.

MR. CHANCELLOR. So that allocation would be a possibility, if this doesn't work?

THE PRESIDENT. That is correct.

MR. CHANCELLOR. Now you told, I think it was Time magazine, that we might have gas rationing if we get another oil embargo. Is that correct?

THE PRESIDENT. Another oil embargo which would deprive us of anywhere from 6 to 7 million barrels of oil a day would create a very serious crisis.

MR. CHANCELLOR. But is that a likelihood, sir? As I understand it, of those 7 million barrels a day, only about 8 percent come from the Arab countries, or 10, or something like that.

THE PRESIDENT. I can't give you that particular statistic. It would depend, of course, on whether the Shah of Iran or Venezuela or some of the other oil-producing countries cooperated.

At the time of the October 1973 oil embargo, we did get some black market oil; we got it from some of the noncooperating countries. But in the interval,

the OPEC nations have solidified their organization a great deal more than they did before. So, we might have a solid front this time rather than one that was more flexible.

MR. CHANCELLOR. In other words, you are worried not about an Arab oil boycott but a boycott by all the oil-producing countries that belong to OPEC?

THE PRESIDENT. That is correct.

MR. CHANCELLOR. Do you regard that as a political——

THE PRESIDENT. It is a possibility.

MR. CHANCELLOR. And in that case, that would produce the necessity for a gas rationing system?

THE PRESIDENT. It would produce the necessity for more drastic action. I think gas rationing in and of itself would probably be the last resort, just as it was following the 1973 embargo.

At that time, as you remember, John, in order to be prepared, Bill Simon, who was then the energy boss, had printed I don't know how many gas rationing coupons. We have those available now; they are in storage. I think they cost about \$10 million to print. But they are available in case we have the kind of a crisis that would be infinitely more serious than even the one of 1973.

MR. CHANCELLOR. Mr. President, you have talked also about energy independence, and it is a key to your whole program. As I recall, of the 17 million barrels of oil a day we use in this country, about 7, as you say, come from other countries.

Let me just put it to you in a tendentious way. An awful lot of experts are saying that it will be impossible for us by 1985 to be totally free of foreign supplies of energy. Do you really think we can make it?

THE PRESIDENT. The plan that I have submitted does not contemplate that we will be totally free of foreign oil, but the percentage of reliance we have, or will have, on foreign oil will be far less.

At the present time, for example, John, 37 percent of our crude oil use comes from foreign sources. In contrast to 1960—we were exporting oil. But in the interval between 1960 and the present time, we are now using 37 to 38 percent of foreign oil for our energy uses.

Now, if my plan goes through, if the Congress accepts it and we implement it and everything goes well, by 1985, if I recall, instead of 37- or 38-percent dependence on foreign oil, we will be down to about 10 percent. Well, a 10-percent cutoff with all the contingency plans we might have, we can handle without any crisis.

THE MIDDLE EAST

[2.] MR. CHANCELLOR. Tom, may I just follow up on that?

MR. BROKAW. You are doing just fine, John.

MR. CHANCELLOR. The other day at your press conference, you were asked about Dr. Kissinger's quote on the possibility of military intervention. And something surprised me, sir. You have been in politics for a long time, and you are as expert a question-ducker as anybody in that trade. Why didn't you duck that question? Why didn't you just say, "Well, that's hypothetical"? You did go into some detail on it.

THE PRESIDENT. I did. I, in part, reiterated what I had said, I think, at a previous news conference. I wanted it made as clear as I possibly could that this country, in case of economic strangulation—and the key word is "strangulation"—we had to be prepared, without specifying what we might do, to take the necessary action for our self-preservation.

When you are being strangled, it is a question of either dying or living. And when you use the word "strangulation" in relationship to the existence of the United States or its non-existence, I think the public has to have a reassurance, our people, that we are not going to permit America to be strangled to death. And so I, in my willingness to be as frank—but with moderation—I thought I ought to say what I said then. And I have amplified it, I hope, clarified it here.

MR. CHANCELLOR. The New Republic this week has a story saying that there are three American divisions being sent to the Middle East, or being prepared for the Middle East. We called the Pentagon and we got a confirmation on that; that one is airmobile, one is airborne, and one is armored. And it is a little unclear as to whether this is a contingency plan, because we don't know where we would put the divisions in the Middle East. Could you shed any light on that?

THE PRESIDENT. I don't think I ought to talk about any particular military contingency plans, John. I think what I said concerning strangulation and Dr. Kissinger's comment is about as far as I ought to go.

MR. CHANCELLOR. Then we have reached a point where another question would be unproductive on that?

THE PRESIDENT. I think you are right.

MR. BROKAW. Mr. President, you said the other day that—speaking of that general area—you think there is a serious danger of war in the Middle East; earlier this year, you were quoted as saying something over 70 percent. Has it gone up recently?

THE PRESIDENT. I don't think I ought to talk in terms of percentage, Tom. There is a serious danger of war in the Middle East. I have had conferences with representatives of all the nations, practically, in the Middle East. I have talked to people in Europe. I have talked to other experts, and everybody says it is a very, potentially volatile situation.

It is my judgment that we might have a very good opportunity to be successful in what we call our step-by-step process. I hope our optimism is borne out. We are certainly going to try.

MR. BROKAW. Is it tied to Secretary Kissinger's next trip to that part of the world?

THE PRESIDENT. Well, he is going because we think it might be fruitful, but we don't want to raise expectations. We have to be realistic, but if we don't try to move in this direction at this time, I think we might lose a unique opportunity.

MR. BROKAW. Should we not succeed this time, Mr. President, do you think it is probably time that we have to abandon this step-by-step process and go on to Geneva as the Soviets would like to have us do?

THE PRESIDENT. I think that is a distinct possibility. We prefer the process that has been been successful so far, but if there is no progress, then I think we undoubtedly would be forced to go to Geneva.

I wouldn't be any more optimistic; in fact, I would be less optimistic if the matter was thrown on the doorstep of Geneva.

MR. CHANCELLOR. Mr. President, really, the Russians have been shut out of Middle Eastern diplomacy since Dr. Kissinger began step-by-step diplomacy. Why was that? Couldn't the Russians play more of a positive role than they are doing? They are arming the Arabs to the teeth, and that is really about all we have been able to see or all they have been allowed to do under the way that we have set our policies.

THE PRESIDENT. I am not as authoritative on what was done during the October war of 1973 in the Middle East as I am now, of course. I can assure you that we do keep contact with the Soviet Union at the present time. We are not trying to shut them out of the process of trying to find an answer in the Middle East. They can play and they have played a constructive role, even under the current circumstances.

So, I think it is unfair and not accurate to say that they are not playing a part. We are taking a course of action where it is more visible perhaps that we are doing something. But I say sincerely that the Soviet Union is playing a part, even at the present time.

MR. CHANCELLOR. Would you tell us what you think about the idea that is going around a little bit—and perhaps you have heard it as well, perhaps you know a great deal about it, I don't know—that if the Israelis made a significant pullback on various fronts in the Middle East, that that could be followed by some sort of American guarantee for their security?

THE PRESIDENT. John, I really do not think I ought to get into the details of what might or might not be the grounds for a negotiated settlement. This is a very difficult area because of the long history of jealousies, antagonisms, and it is so delicate I really do not think I ought to get into the details of what might or might not be the grounds for a settlement.

MR. CHANCELLOR. Would you entertain a question based on the reported Israeli desire for a threefold increase in our aid to them?

THE PRESIDENT. The United States, over the years, has been very generous in economic and military aid for Israel. On the other hand, we have been quite generous to a number of Arab nations. The State of Israel does need adequate military capability to protect its boundaries or its territorial integrity.

I think because of the commonality of interest that we have with Israel in the Middle East that it is in our interest as well as theirs to be helpful to them, both militarily and economically. There has been no determination by me or by us as to the amount of that aid.

MR. BROKAW. Mr. President, I wonder if we can come back at you again about Israel's security in another way. As you know, reporters don't give up easily on some of these questions.

THE PRESIDENT. I found that out, Tom.

MR. BROKAW. On a long-range basis, do you think that it is possible for Israel to be truly secure in the Middle East without a United States guarantee of some kind?

THE PRESIDENT. Well, of course, Israel, to my knowledge, Tom, has never asked for any U.S. manpower or any guarantee from us for their security or their territorial integrity. I think the Israelis, if they are given adequate arms and sufficient economic help, can handle the situation in the Middle East.

Now, the last war, unfortunately, was much more severe from their point of view than the three previous ones. And I suspect that with the Arabs having more sophisticated weapons and probably a better military capability, another war might even be worse. That is one reason why we wish to accelerate the efforts to find some answers over there.

But I think the Israelis, with adequate equipment and their determination and sufficient economic aid, won't have to have U.S. guarantees of any kind.

MR. BROKAW. I wonder if we can move to another area in the world, or would you like to go back to the Middle East?

MR. CHANCELLOR. I have one question I would like to put to the President.

Sir, when we talk about strangulation—and I hope we don't talk about it any more tonight after this, because I do think it is the hypothetical, I agree with you on that—what about the moral implications? If a country is being strangled by another country or set of countries that own a natural resource, is it moral to go and take that? It is their oil; it is not ours. Isn't that a troublesome question?

THE PRESIDENT. I think it is a troublesome question. It may not be right, John, but I think if you go back over the history of mankind, wars *have* been fought over natural resources from time immemorial. I would hope that in this decade or in this century and beyond, we would not have to have wars for those purposes, and we certainly are not contemplating any such action. But history, in the years before us, indicates quite clearly that that was one of the reasons why nations fought one another.

VIETNAM CONFLICT

[3.] MR. BROKAW. Mr. President, what are our objectives now in Southeast Asia, in Vietnam, particularly?

THE PRESIDENT. Vietnam, after all the lives that were lost there, Americans, over 50,000, and after the tremendous expenditures that we made in American dollars—several years, more than \$30 billion a year—it seems to me that we ought to try and give the South Vietnamese the opportunity, through military assistance, to protect their way of life.

This is what we have done traditionally as Americans. Certainly since the end of World War II, we have helped innumerable nations in military arms and economic assistance to help themselves to maintain their own freedom.

The American people believe, I think, historically, that if a country and a people want to protect their way of life against aggression, we will help them in a humanitarian way and in a military way with arms and funds if they are willing to fight for themselves. This is within our tradition as Americans.

And the South Vietnamese apparently do wish to maintain their national integrity and their independence. I think it is in our best tradition as Americans to help them at the present time.

MR. BROKAW. How much longer and how deep does our commitment go to the South Vietnamese?

THE PRESIDENT. I don't think there is any long-term commitment. As a matter

of fact, the American Ambassador there, Graham Martin, has told me as well as Dr. Kissinger that he thinks if adequate dollars, which are translated into arms and economic aid, if that was made available, that within 2 or 3 years the South Vietnamese would be over the hump militarily as well as economically.

Now, I am sure we have been told that before, but they had made substantial progress until they began to run a little short of ammunition, until inflation started in the last few months to accelerate.

I happen to think that Graham Martin, who is a very hardnosed, dedicated man, and very realistic, is right. And I hope the Congress will go along with this extra supplemental that I am asking for to help the South Vietnamese protect themselves.

MR. CHANCELLOR. Sir, that is \$300 million you have asked for the South Vietnamese. And given what you have just said—well, I am just going to phrase it this way—will we see the light at the end of the tunnel if we give them \$300 million?

THE PRESIDENT. The best estimates of the experts that are out there, both military and civilian, tell me that \$300 million in this fiscal year is the minimum. A year ago when the budget was submitted for military assistance for South Vietnam, it was \$1,400 million. Congress cut it in half, which meant that South Vietnamese rangers going out on patrol, instead of having an adequate supply of hand grenades and weapons, were cut in half, which, of course, has undercut their military capability and has made them conserve and not be as strong.

Now, \$300 million doesn't take them back up to where they were or where it was proposed they should be. But the experts say, who are on the scene, who have seen the fighting and have looked at the stocks and the reserves, tell me that that would be adequate for the current circumstances.

MR. CHANCELLOR. Mr. President, does it make you uneasy to sit on that couch in this room and have experts in Vietnam saying, only a little bit more and it will be all right? We did hear that for so many years.

THE PRESIDENT. I think you have to think pretty hard about it. But a lot of skeptics, John, said that the money we were going to make available for the rehabilitation of Europe after World War II wouldn't do any good, and of course, the investment we made did pay off.

A lot of people have said the money that we made available to Israel wouldn't be helpful in bringing about the peace that has been achieved there for the last year and a half or so, but it did. It helped.

I think an investment of \$300 million at this time in South Vietnam could very likely be a key for the preservation of their freedom and might con-

ceivably force the North Vietnamese to stop violating the Paris accords of January 1973.

When you look at the agreement that was signed—and I happened to be there at the time of the signing in January of 1973—the North Vietnamese agreed not to infiltrate. The facts are they have infiltrated with countless thousands—I think close to 100,000 from North Vietnam—down to South Vietnam. They are attacking cities, metropolitan areas. They have refused to permit us to do anything about our U.S. missing in action in North Vietnam. They have refused to negotiate any political settlement between North Vietnam and South Vietnam. They have called off the meetings either in Paris or in Saigon.

So, here is a country—South Vietnam—that is faced with an attitude on the part of the North Vietnamese of total disregard of the agreement that was signed about 2 years ago. I think the South Vietnamese deserve some help in this crisis.

MR. BROKAW. Mr. President, underlying all of this in much of this interview is a kind of supposition on your part, I guess, that the American public is willing to carry the burdens that it has carried in the past. Do you believe that? Is that your view of the world, kind of, and the view of this country?

THE PRESIDENT. Yes, and I am proud of that, Tom. The United States—we are fortunate. We have a substantial economy. We have good people who by tradition—certainly since the end of World War II—have assumed a great responsibility. We rehabilitated Europe. We helped Japan—both in the case of Germany and Japan, enemies that we defeated.

We have helped underdeveloped countries in Latin America, in Africa, in Southeast Asia. I think we should be proud of the fact that we are willing to share our great wealth with others less fortunate than we.

And it gives us an opportunity to be a leader setting an example for others. And when you look at it from our own selfish point of view, what we have done has basically helped America, but in addition, it has helped millions and millions of other people. We should be proud of it. We should not be critical of our efforts.

CENTRAL INTELLIGENCE AGENCY

[4.] MR. CHANCELLOR. Mr. President, I would like to move on, if I could, and ask you, as a reporter, if you would care to share a little information with me on a paper you read recently on the CIA. You read a paper given to you by the CIA. There have been resignations at the CIA. Officials of the CIA have

admitted some of the charges that have been made against them. How far did they get off the reservation, Mr. President?

THE PRESIDENT. I did read the report that was submitted to me by Bill Colby, the head of CIA. And after reading it, I determined that rather than myself making a judgment as to whether they were violating their legislative charter or whether there was any guilt on the part of any individual, the present Director or any of his predecessors, that the proper thing for me to do was to turn the investigation over to a very reputable group of gentlemen who would look into the facts, take testimony, and make a report, number one, as to the charges; number two, make recommendations to me as to any disciplinary action or changes within the present personnel; and to make recommendations as to whether the charter of CIA ought to be revised.

I asked the Vice President, Nelson Rockefeller, to head up this group of seven people, three Democrats, three Republicans, men of outstanding experience and, I think, excellent judgment, and they are in the process now.

It would be premature for me, John, to pass judgment on the degree of violation of the charter. There have been admissions that there were some indiscretions or potentially illegal actions. But for me to say on this program that Mr. A did something that was illegal or the group did something totally wrong, I think it is better for me to wait and see what this Commission reports to me.

FEDERAL BUREAU OF INVESTIGATION

[5.] MR. BROKAW. Mr. President, another agency, the FBI, has recently been involved in a controversy about keeping track of Americans as well, keeping files on Members of Congress, among others. Clearing away everything else, do you think that there is any reason for those files to be retained?

THE PRESIDENT. Tom, I think you have to look at what the responsibility is of the FBI.

Number one, the FBI under no circumstances should do anything—they should not spy on Members of Congress. I do not think they ought to spy on law-abiding American citizens. But there are certain areas where the FBI has a legal responsibility.

The FBI has the responsibility to check on individuals who are charged with a crime—any American citizen, including a Member of Congress. The FBI, if they are seeking to employ somebody or if somebody applies for a job, the FBI has an obligation to check on that person's record. And some Members of Congress at the present time served in the FBI at various times prior to being

elected to the House or to the Senate. So, the FBI ought to have files on those people.

Now, in addition, as I understand it, the FBI in the course of investigating a person gets information concerning somebody else, and that may be information concerning a Member of Congress. I am told that that information that is gotten in a peripheral way does go into a file.

That kind of information, in my judgment, ought to be reported to the Member of the House or to the Member of the Senate.

MR. BROKAW. But why should it be retained, even? If there is no criminality or evidence of it or they are not interviewing them for a job, why should they even retain it in any fashion?

THE PRESIDENT. I think that is a good question, Tom. I would have no objection to having that kind of information disposed of.

MR. CHANCELLOR. As I understand it, sir, the way it works now is that the FBI tells a Member of Congress if they have heard some scurrilous charge against him, he denies it, and they keep both the charge and the denial in his file.

THE PRESIDENT. I hadn't heard that, John, but I think that is kind of silly.

MR. CHANCELLOR. You mentioned the charter of the CIA and you mentioned the responsibility of the United States Government to engage in a certain amount of looking at and investigating citizens who are not necessarily charged with a crime, as in job applications and in other things. Do you suppose that we could work out a better way of sharing this responsibility in the American Government? Could that come out of these FBI and CIA investigations?

THE PRESIDENT. I think you have to differentiate, John, between the charter of the FBI and the responsibilities of the CIA. There is supposed to be a clear line of demarcation between the two——

MR. CHANCELLOR. And apparently there wasn't, at times.

THE PRESIDENT. ——and for various reasons, that line was overstepped, and of course, the investigations, I think, will expose what caused it and how we can remedy it.

But the FBI has domestic responsibilities, responsibilities within the continental limits of the United States. The CIA is supposed to be an intelligence-gathering bureau aimed at overseas operations on this country's behalf.

I think the CIA is vitally important to our total national security, both diplomatically as well as militarily. I can assure you that they do, in the areas that I am intimately familiar with, an excellent job of providing the Department of Defense and providing me with information that is important for decision-

making process on what I think we should do militarily or diplomatically, and they do a fine job on behalf of the Department of Defense.

Now, I don't think they ought to get into any domestic surveillance, and mistakes apparently were made going back as early as 1964 or 1965. It has stopped now. And I have given instructions that under no circumstances shall it be started again, and I think the CIA has probably learned.

But I don't think we should destroy the CIA in trying to straighten out the indiscretions or the mistakes that were made.

JUSTICE IN AMERICA

[6.] MR. CHANCELLOR. Mr. President, on an unrelated subject—I have always wanted to ask you this question about the credibility of American justice as, let us say, young Americans see it.

We have just gone through the worst scandals in the history of the Presidency. Mr. Agnew, we are told, is going to become a millionaire—at least his business partner says that. Mr. Nixon is in California. Some of these other people who were involved are getting huge book advances. How do you suppose that squares with the idea of justice as young people ought to see it in this country?

THE PRESIDENT. That is a hard question to answer, John. I am sure it disturbs a lot of Americans—young as well as old—Americans who have worked hard all their lives, have made middle-income wages or salaries, lived an honest, decent life, raised a family, and find that for various economic reasons they are in trouble, and they see these stories about some of these people who have pled guilty or been convicted and gone to jail and——

MR. CHANCELLOR. And some of the big ones not touched at all.

THE PRESIDENT. That is correct. And yet, they come out with guarantees or prepayments of substantial amounts. I think it will bother a good many Americans, young as well as old. And I don't have any answer. I wouldn't buy the books, let me add.

MR. CHANCELLOR. That is the first non-Presidential plug for a book, I think, that I have ever heard.

VIEWS ON THE PRESIDENCY

[7.] MR. BROKAW. I have a question, Mr. President, that—it just isn't easy to phrase, so I will just have to bear straight ahead with it. As you know, I am certain, because I have been told that you have commented on this before, but it has been speculated on in print not only in Washington but elsewhere, and

it crops up in conversation from time to time in this town—the question of whether or not you are intellectually up to the job of being the President of the United States. When you hear that kind of talk or read that in print, does it bother you?

THE PRESIDENT. It really doesn't, Tom. And I suppose people wonder why it doesn't bother me. My answer is as hard as the question that you asked.

If grades one gets in school are a criteria—and we have been doing it for years and are still doing it—whether I was in high school or at the University of Michigan or at Yale Law School, I was always in the upper third or the upper 10 percent of my class.

Now, if I don't have the academic capability—being in either the upper third at Yale Law School or in the upper 20-some percent at the University of Michigan—there must be an awful lot of people much dumber than I.

Now, I don't think that is the only way by which you judge people. I think grades are important, judgment is a pretty important factor, and a capability on the part of a person to work, to analyze problems is equally important.

And I think the fact that I have done reasonably well, both in Congress, in first getting there, and number two, in getting to be a leader and retaining that post for five elections among my peers as a Member on our side of the aisle—I think that does show some feeling on the part of responsible people that I have the capability of doing the job.

MR. BROKAW. Mr. President, I want to just ask you about a personal moment that I witnessed in Vladivostok. After you signed the agreement with General Secretary Brezhnev and there was a shaking of hands, and the champagne, I caught you looking out kind of into the distance for a moment there, and I thought I saw, at least in your eyes, a question of "What in the world am I doing here a year after being in the House of Representatives?"

Do you sometimes find yourself, given the way you came to this office, stopping for a moment and thinking that and wondering as these events brush by you?

THE PRESIDENT. I cannot recall that particular incident, Tom, but to be honest and frank with you, yes, I have thought—I never anticipated that I would be in the White House, in this building where this program is originating.

I had other political ambitions, and I prepared myself primarily for those objectives. But nevertheless, even though I have wondered how it all happened, I feel very secure in the capability that I have to do the job. And I can assure you that my feeling of security, my feeling of certainty that I can handle it grows every day. But nevertheless, you cannot help but wonder sometimes, how did it all happen.

MR. CHANCELLOR. Could I phrase it this way, because I think that the growth on your part, as we in the press have perceived it, has been considerable. For a long while you represented Grand Rapids, Michigan, as you should have, but suddenly, you have been put into another arena, and your Government is about to borrow \$28 billion in 6 months—

THE PRESIDENT. \$80 billion in the next 18 months.

MR. CHANCELLOR. Well, we are dealing with these enormous figures now that do not seem to me to square at all with the ideological and political outlook that you have had for much of your life. Could you talk about that?

THE PRESIDENT. I think all of us, John, who work at a job and seek to broaden one's self in the process of step-by-step movement in a career, have to understand the much more complex problems that we face. As I moved from a freshman Congressman in 1949 to a Republican leader in January of 1965, and as I moved from being a new Republican leader in January of '65 to a Republican leader, 8, 9 years later—if you have the capability and work at it, you inevitably get a broader look at life. And that gives you, I think, a better understanding, not only of the complexities at home but the enormous difficulties and complexities on a worldwide basis.

I would be ashamed of myself if I did not think, from January of 1949, when I first took the oath of office in the House of Representatives, till now, I had not learned a lot, profited by mistakes, analyzed what I had done, right or wrong, and expanded my knowledge and understanding. It has been a great deal of satisfaction to me that I have been able to meet those challenges.

MR. CHANCELLOR. And now you are here in the cockpit. I mean, you are really on the spot as President now. Have you learned in your months in this office and in this house—do we tend to put Presidents too much on pedestals? Do we expect too much from the human beings who occupy this office?

THE PRESIDENT. An awful lot is expected, John. But I think a person who is President of the United States should expect that kind of responsibility, and he should act accordingly. To do otherwise, I think, would be just wrong.

I think a person who is President, either elected or, as I was, under the unusual circumstances, has to feel that there is an enormous responsibility and that the American people expect him to perform 150 percent of his capability, both as to mental and time and judgment and everything else.

MR. BROKAW. Mr. President, you said in an interview² recently that you thought you would have a better grasp of what the Presidency is and what your

² The interview, conducted by Washington Post reporters on January 8, 1975, is printed in the January 12 issue of the Post.

role is in it in about 6 months. If things don't work out quite the way that you want them to, will it change your mind at all about your own future in this office?

THE PRESIDENT. Tom, I think I said that the public could judge my performance better at the end of 6 months than they could at the present time. It has been about 5½ months since I have been President. We have had some tough decisions, both at home and abroad. We are facing a very difficult and very critical period domestically for the next 6 to 12 months.

I said that, in the interview, based on the programs that I had submitted for the economy and for energy, I believe we will make some headway. And if we do, it will be discernible within 6 months, maybe not as much as I would like, but at least we will be out of the slump and starting to move upward. And then I think that is a better time for people to judge me than at the present time.

MR. CHANCELLOR. Sir, if in early 1976 we are at double-digit inflation and unemployment is over 7 percent, would you be a candidate for office again?

THE PRESIDENT. Those are pretty tough odds, and I think anybody has to be realistic. But I add very quickly, John, I don't think that is going to happen, because the resiliency of the American economy is such that we are going to rebound from this recession, and I think we will do it more quickly and in a better way than most pessimists say. So, I am not anticipating in 1976 that we are going to have that high unemployment. I think we will have more jobs, people will have a fresher, more optimistic point of view. So, based on that forecast, not the one that you speculated on, I am planning to be a candidate in 1976.

MR. CHANCELLOR. On that note, Mr. President, for Tom Brokaw and for me, I want to thank you, and for NBC News, for having us here in this house this evening. It was very instructive for us.

THE PRESIDENT. Thank you, John, and thank you, Tom. We have enjoyed having you here.

MR. BROKAW. Thank you, Mr. President.

MR. CHANCELLOR. Thank you, Mr. President.

NOTE: The interview began at 10 p.m. in the family sitting room at the White House. It was broadcast live on NBC radio and television.

46

Remarks at a Briefing for Members of the Radio-Television News Directors Association. *January 24, 1975*

LET ME express my appreciation to Jim Lynn and Frank Zarb and Mike Duval and others who have been here. They know the subject matter extremely well. They were my important advisers in the process of working out the economy program and the energy program, and they are going to be working with me and explaining the justification and the details of the several plans as we move down in the months ahead to get some action in the Congress on both plans.

It is a privilege and a pleasure to be here, to meet with the news directors. I had the great pleasure—I think back in 1968, following the election—of making a speech to your convention in Los Angeles when my good friend at that time, Bill Roberts, was either incoming or outgoing president of your organization.

Bill has been with me on my staff when I was Vice President and is now, of course, with me, on the staff under Ron Nessen, as President.

I am obviously delighted to have an opportunity to say a few words on the programs that I have proposed to the Congress. I think the success in the implementation of those plans through the Congress depends to a very large extent on the understanding and the cooperation of the American public.

And in my judgment, the more information the public receives on what I have proposed in these two very important areas, the better chance they have of being implemented, not only in the Congress but through the efforts of the American people. Because of the great influence of the electronic media, your role in giving the facts to the American people is an especially vital one.

You may have heard or read the remarks that I made over national television a week ago Monday night and followed by the State of the Union on Wednesday of the same week, so I assume that in many details you are fully informed. Some of the broader background, of course, will be explained or has been explained by the three that are on the platform or others who have been here.

There are some very crucial parts of the program that I would like to make a comment or two on: the tax rebate, the increase in the oil import tariffs, and the proposed ceiling on increases in Government wages and social security and other benefits.

These three are only part of a much more complex design for pulling the Nation out of the economic doldrums and the energy crisis. Unfortunately, we are in a status of economic doldrums, and we do have an energy crisis.

It seems to me that it is vital in both cases that action be taken immediately by the Congress. It appears that in the tax rebate for 1975, predicated on 1974 income, the Congress is going to respond quite quickly. And I am extremely interested, of course, in getting the Congress to act immediately thereafter on the energy package.

Now, the important fact is that the energy plan, which has been reviewed by others here today, goes far beyond trying to reduce consumption of imported oil through price levers. The plan, that is very comprehensive, tackles the need for more domestic sources, the better use of energy, and the research for new energy sources.

Let me say a word or two about each of the three categories:

Better or more domestic sources—this includes a much broader program of oil and gas exploration in the United States. The facts are that since 1968 or 1969, our exploration for more gas and more oil in the United States has dropped off significantly. If we are going to develop more domestic oil and gas, we have to have an incentive for those people who are in that business. And the program that I have submitted to the Congress provides for that.

Now, the second is the better use of energy. What we hope to do here in a number of cases—and I will just give one or two—is to cut down the use of energy by, for example, the installation of insulation in homes and in buildings generally. The program provides a 15-percent tax credit for up to \$1,000 for a homeowner to install storm windows or insulation. The best estimate is that this will save about 300,000 barrels per day, and it will cost the Federal Treasury approximately \$500 million. But it will improve the efficiency of homes and it will cut down, as I indicated, the utilization of some 300,000 barrels a day.

Research for new sources, new sources of energy—solar, geothermal. I was in Los Alamos last July and saw some of the research and development work that was being undertaken by the AEC at that time. Geothermal has a great potential, certainly, in particular areas of our country. And under the new Energy Research and Development Agency, ERDA, with Bob Seamans as the head of it, we are consolidating and coordinating the research in this area as well as solar and some of the others.

What we need is to actually restyle our entire national approach to energy production and energy consumption. It is a complex subject, and if you had seen the number of volumes that were presented to me for reading, the number of volumes that I had to look at in selecting options, I think you would share the view that it is a very complex subject.

But it is a problem that has to be met, and the program that I have sub-

mitted, in my judgment, will meet and will solve it. But in order to get it going, both in the Congress and otherwise, the public has to understand it. And all we ask of you is to understand it yourself and give the facts. I think if the facts are laid out on the table, the American people will support it.

Now, the one-time tax rebate is a matter of great concern, because it deals directly with the manner and the amount of money to be put back into the taxpayer's pocket. This rebate has been integrated very carefully with the other tax proposals. We are not looking at just one segment of the economic picture. In the drawing up of these proposals, the emphasis was on the continuing economic health of all taxpayers, low- as well as middle-income citizens.

Our economic recovery, obviously, cannot be accomplished simply by a one-shot tax rebate. If we are to return to a stable, balanced, and growing economy, a good business climate, we have to pursue a program that treads a very prudent line between economic stimulation and personal sacrifice.

Of course, a proposal such as the 5-percent ceiling on social security increases for 1975 is a perfect target for irresponsible politicking. I emphasize that this is a ceiling. We expect increases, but a ceiling of 5 percent under the current circumstances, in my judgment, can be justified.

There is a legitimate national concern, which I happen to share, about the impact of inflation on fixed income of our older citizens. The proposed ceiling on the size of these increases in Federal benefits is coupled with plans for a moratorium on new Federal spending programs and a ceiling on Federal salaries, and let me illustrate what I mean:

Shortly after I became President, in October of last year, I proposed to the Congress that the cost-of-living increase that was then expected of about 5.4 percent for Federal salaries—I recommended that it be deferred for 6 months, and the justification for it was that a 6-month deferral of a pay increase for Federal employees, some 2,100,000 and roughly 2,100,000 for military personnel, would have saved the Federal Treasury \$700 million.

Now, at that time, we were faced with a serious problem with the prospective deficit. I thought it made sense to ask for that deferral. Unfortunately, the Congress, under the procedure that was available, rejected my recommendation.

I think it made sense. I wish the Congress had approved it, but what we are trying to do in 1975 is to put a 5-percent ceiling on Federal pay increases just as we have recommended a ceiling for social security, Federal retirement, both civilian and military.

Now, it may be good politics for some critics to suggest that we start reducing the growth in Federal spending somewhere else, areas other than social security,

pay increases for Federal employees, both civilian and military, retirement benefits for Federal employees and the military; but, in my judgment, the time has arrived when politically unpopular decisions must be made. And in this case, if we put this 5-percent cap or ceiling on all of these categories, the reduction in anticipated expenditures for the Federal Government will be \$6.6 billion, a fair amount of Federal funds.

My point is quite simple. If we do not begin the task, as I see the picture, we will be doing disservice to the people we most want to help. Fortunately, there is something in our national character that seems to summon strength when the country is confronted with difficult challenges. And that is why I happen to believe that the American people will accept and will respond to the economic and energy proposals we have laid before them and before the Congress.

I intend to explain, to hopefully persuade the Congress and the American people to respond. I will take my case directly to the American people. Just as I believe it is the President's duty to make hard choices, I also believe the choices must be explained to the most important forum there is—some 213 million Americans. Your help in just explaining the facts—we do not expect you to be prejudiced one way or another—but if you can get the facts out, this is vitally important to an honest dialog and effective decisionmaking.

I appreciate your concern by being here today. And I look forward to seeing you around the country, where I hope to be in the next several months.

Thank you very much.

NOTE: The President spoke at 4:40 p.m. in Room 450 at the Old Executive Office Building to members of the association attending the briefing by Admin-

istration officials on the President's energy and economic programs.

47

**Telegram to United Mine Workers of America President
Arnold R. Miller on the Union's 85th Anniversary.
*January 25, 1975***

AS THE United Mine Workers of America marks its eighty-fifth anniversary, your members deserve the congratulations and gratitude of the American people.

Since the founding of your great union before the turn of the century, mine workers have contributed immeasurably to the progress and economic welfare of all Americans. The UMW has fought long and hard to advance the overall

status of American miners. And in doing so, it has helped to improve the well-being of all American workers.

I welcome this opportunity to assure you that my Administration stands firmly behind your continuing efforts to bring about even greater improvements in the safety and welfare of miners.

As we reinforce our national effort to achieve an independent fuel supply to heat our homes and run our industry, the coal your members mine will be more important than ever.

Your union has my very best wishes on this proud milestone in the annals of American labor history.

GERALD R. FORD

48

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation To Extend the Voting Rights Act of 1965. *January 27, 1975*

ENCLOSED for your consideration and appropriate reference is proposed legislation entitled the "Voting Rights Act Amendments of 1975."

This proposal would extend for an additional five years the basic provisions of the Voting Rights Act of 1965. These provisions, including the requirement that certain States and political subdivisions submit to the United States District Court for the District of Columbia or the Attorney General any changes in voting laws, will be subject to expiration after August 6, 1975.

The proposal would also extend for an additional five years the provision which suspends the use of literacy tests and other similar prerequisites for voting in all states and subdivisions not subject to such suspension under section 4(a) of the 1965 Act.

The Voting Rights Act of 1965 has been an extremely effective statute. Since its enactment, substantial progress has been made in safeguarding and furthering the right to vote. Nonetheless, our experience indicates the need to extend once more the key sections of the Act.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate. The text of the draft legislation was included as part of the release.

49

Message to the Congress Transmitting Final Report of Activities Under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

January 27, 1975

To the Congress of the United States:

I am transmitting today the fourth and final annual report of each executive department and agency on its activities during Fiscal Year 1974 in the administration of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

Federal agencies report that the effects of implementation of the Uniform Act have generally been extremely beneficial for displaced families and individuals. The replacement housing payment available to displaced homeowners and tenants in addition to a payment for moving expenses, have greatly enhanced the rehousing options of displaced persons. The relocation assistance program of the agencies has been instrumental in assisting those displaced to improve the quality of their housing and standard of living and in assisting many tenants to become homeowners. The Uniform Act's program and policies are being favorably received by those persons displaced and communities affected by Federal and federally assisted projects.

The Administrator of General Services, who has responsibility for executive branch leadership in the implementation of the Uniform Act, has recently reported to me concerning accomplishments under this program and plans to further improve the administration of the Act. I endorse these efforts and include his report as an enclosure to this transmittal.

GERALD R. FORD

The White House,
January 27, 1975.

50

Remarks at the Annual Congressional Breakfast of the National Religious Broadcasters. *January 28, 1975*

Reverend Bertermann, my former colleagues in the Congress, members of the Religious Broadcasters, distinguished guests, ladies and gentlemen:

I am deeply grateful for the invitation to this annual Congressional breakfast, which I have attended rather faithfully when I was a Member of the House and from which I not only derived a great deal of good, a great deal of religious inspiration but also powerful encouragement, which is described in the familiar hymn as "the fellowship of kindred minds." I might say, in a secular way, I strongly hope for some of that spirit with the new Congress. [*Laughter*]

Last year I had the great privilege of being here with you as Vice President, and I guess the first thing that I ought to assure you this morning is that I am not going to do any more job-hopping. [*Laughter*]

As President, I have been cautioned to be very careful about what I say about religious matters. But the separation of church and state, although a fundamental principle to which I fully subscribe, was never intended, in my view, to separate public morality from public policy. It says that the power of government shall not be used to support or suppress any one faith, but in the same sentence protects the profession and the propagation of all faiths.

I took a minute yesterday to reread the first amendment to our great Constitution before coming over to join you again on this occasion. And this is what it says, and if I might quote: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

Now, that says an awful lot in one sentence. It sustains some of our most precious rights. It also underscores how interrelated they are. Freedom to exercise one's religion would be meaningless without freedom of speech and of assembly. Without freedom of the press, there could be neither religious books nor religious broadcasters.

As we proudly enter a period of celebrating our Bicentennial of independence as a nation, we must remember that our great traditions of freedom did not suddenly start in 1776. For more than two centuries before the Liberty Bell rang, the processes of conflict and compromise were working on this great new continent, and the impassioned extremes of religious and political rivalry were tested and were found wanting.

In the end, our Founding Fathers sought to establish a new order of society embodying the principles of tolerance and freedom, of unity in diversity, of justice with charity.

So, the first amendment was written to ensure the perpetuation of the hard-learned lessons from our colonial history that religious belief can neither be coerced nor suppressed by government; that a free people must retain the right

to hear, the right to speak, the right to publish and to read, and the right to come together—all of which had been denied the early American settlers at one time or another.

As for the other freedom, the right to petition the government for redress of grievances, it is very hard for any of us who hold public office to imagine a time when this was not permitted. But it was dangerous in America 200 years ago, and it is in many parts of the world today.

I am told that the total listening audience of the National Religious Broadcasters exceeds 40 million persons and that religious broadcasting in this country and throughout the world is growing at the rate of 20 to 30 percent per year. This can be a tremendous force for good, for freedom, and for peace.

While the Founding Fathers never dreamed of radio or television, the personal freedoms they protected make your work possible. The electronic era of communications, which is only beginning—as the age of the book was only beginning when Gutenberg printed his Bible—holds unlimited opportunities for those who today tell and retell the good news of God's love for man.

As President, I am no less concerned than George Washington was when he observed in his Farewell Address to his countrymen, said, and I quote: "Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. . . . The mere politician, equally with the pious man, ought to respect and to cherish them. . . . Reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

You will note that the first amendment is stated entirely in the negative. It forbids Congress—because its authors were more fearful of the tyranny of the Parliament than of the King—to make any laws in certain areas of individual freedom.

But President Washington urged all "mere politicians" to respect and to cherish the principles of religion and morality. It has been my experience in the Congress over the 25 years that most of us "mere politicians" really do.

In my first speech as President to my former colleagues in the Congress, I had dedicated groups such as this one in mind when I said, and I quote: "On the higher plane of public morality there is no need for me to preach. . . . We have thousands of far better preachers and millions of sacred scriptures to guide us on the path of personal right living and exemplary official conduct. If we can make effective and earlier use of the moral and ethical wisdom of the centuries

in today's complex society, we will prevent more crime and more corruption than all the policemen and prosecutors of the government can ever deter."

I went on to say, "If I might say so, this is a job that must begin at home, not in Washington."

Through your broadcasts, you reach into the homes of America and bring to young and to old the ageless axioms of divine truth. All of us need the sure guidance of God in whatever we do. Although there are many faiths and denominations represented at this meeting, a common goal brings us here: recognition of the need to keep strong the spiritual and moral ties that bind us together as a great nation. I will not join the skeptics who say Americans have lost faith, hope, and love. But I know that each new generation must rediscover these redeeming qualities and translate them into its own way of daily living or lifestyle, as they now say. You, individually and collectively, are helping in this renewal and nurture of our deep religious roots.

When I was young, I learned a couple of verses from the Book of Proverbs, third chapter, which have stuck with me all my life. When I took the oath of office as President, the Bible was opened at this passage: "Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths."

That is what I have tried to do and will try to do as your President. I think it does no violence to the separation of church and state to commend these words to my countrymen. If it does, I am in pretty good company, starting with George Washington.

Thank you very much.

NOTE: The President spoke at 8:25 a.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to Dr.

Eugene R. Bertermann, president of the National Religious Broadcasters.

51

Statement on the Death of Representative John C. Kluczynski of Illinois. *January 28, 1975*

I WAS grieved to learn today of the death of a veteran and respected Member of the House of Representatives. It was my privilege to work with John Kluczynski as a colleague for 23 years. I know how much he loved his work and how well he did his job.

As chairman of the Public Works Subcommittee on Transportation, John helped to shape our interstate highway system—an achievement in which he took special pride.

He was a conscientious, hard-working public servant, who served both his party and his country well. Mrs. Ford and I join with his many friends in extending our sympathy to his wife, Estelle, on her bereavement.

NOTE: Representative Kluczynski was a Member of Congress from 1951 until his death on January 26, 1975.

52

Statement on the 10th Anniversary of the Job Corps. *January 28, 1975*

FOR TWO centuries, America has stood for freedom and opportunity—a land where every boy and girl could advance in life as far as their talents carried them.

Despite this proud national heritage, skin color, language barriers, poverty, or other factors beyond their control have denied many of our fellow citizens the chance to share fully in the American dream.

For hundreds of thousands of these disadvantaged Americans, the national Job Corps over the past decade has opened a path to a better life. By giving them a chance to prepare for meaningful and rewarding employment, it has offered the disadvantaged a chance to help themselves.

In the 10 years since its founding, the Job Corps has provided 500,000 young people with opportunities to learn marketable job skills. It has provided special education, vocational training, work experience, avocational activities, health care, and counseling.

With the support of business, labor, religious, civic, and fraternal groups, the Job Corps over the past decade has opened a path to a better life. By giving them a chance to prepare for meaningful and rewarding employment, it has offered the disadvantaged a chance to help themselves.

On this 10th anniversary, I welcome the opportunity to call upon all my fellow citizens to join in saluting the Job Corps, its dedicated staff, and all those who have been associated with its worthwhile activities.

53

Special Message to the Congress Requesting Supplemental Assistance for the Republic of Vietnam and Cambodia.

January 28, 1975

To the Congress of the United States:

Two years ago the Paris Agreement was signed, and several weeks later was endorsed by major nations including the Soviet Union, the United Kingdom, France and the People's Republic of China. We had succeeded in negotiating an Agreement that provided the framework for lasting peace in Southeast Asia. This Agreement would have worked had Hanoi matched our side's efforts to implement it. Unfortunately, the other side has chosen to violate most of the major provisions of this Accord.

The South Vietnamese and Cambodians are fighting hard in their own defense, as recent casualty figures clearly demonstrate. With adequate U.S. material assistance, they can hold their own. We cannot turn our backs on these embattled countries. U.S. unwillingness to provide adequate assistance to allies fighting for their lives would seriously affect our credibility throughout the world as an ally. And this credibility is essential to our national security.

VIETNAM

When the Paris Agreement was signed, all Americans hoped that it would provide a framework under which the Vietnamese people could make their own political choices and resolve their own problems in an atmosphere of peace.

In compliance with that Agreement, the United States withdrew its forces and its military advisors from Vietnam. In further compliance with the Agreement, the Republic of Vietnam offered a comprehensive political program designed to reconcile the differences between the South Vietnamese parties and to lead to free and supervised elections throughout all of South Vietnam. The Republic of Vietnam has repeatedly reiterated this offer and has several times proposed a specific date for a free election open to all South Vietnamese political groups.

Unfortunately, our hopes for peace and for reconciliation have been frustrated by the persistent refusal of the other side to abide by even the most fundamental provisions of the Agreement. North Vietnam has sent its forces

into the South in such large numbers that its army in South Vietnam is now greater than ever, close to 289,000 troops. Hanoi has sent tanks, heavy artillery, and anti-aircraft weapons to South Vietnam by the hundreds. These troops and equipment are in South Vietnam for only one reason—to forceably impose the will of Hanoi on the South Vietnamese people. Moreover, Hanoi has refused to give a full accounting for our men missing in action in Vietnam.

The Communists have also violated the political provisions of the Paris Agreement. They have refused all South Vietnamese offers to set a specific date for free elections, and have now broken off negotiations with the Government of the Republic of Vietnam. In fact, they say that they will not negotiate with that Government as it is presently constituted, although they had committed themselves to do so.

Recent events have made it clear that North Vietnam is again trying to impose a solution by force. Earlier this month, North Vietnamese forces captured an entire province, the population centers of which were clearly under the control of the South Vietnamese Government when the Paris Agreement was signed. Our intelligence indicates, moreover, that their campaign will intensify further in coming months.

At a time when the North Vietnamese have been building up their forces and pressing their attacks, U.S. military aid to the South Vietnamese Government has not been sufficient to permit one-to-one replacement of equipment and supplies used up or destroyed, as permitted by the Paris Agreement. In fact, with the \$700 million appropriation available in the current fiscal year, we have been able to provide no new tanks, airplanes, trucks, artillery pieces, or other major equipment, but only essential consumable items such as ammunition, gasoline, spare parts, and medical supplies. And in the face of the increased North Vietnamese pressure of recent months, these supplies have not kept pace with minimally essential expenditure. Stockpiles have been drawn down and will soon reach dangerously low levels.

Last year, some believed that cutting back our military assistance to the South Vietnamese Government would induce negotiations for a political settlement. Instead, the opposite has happened. North Vietnam is refusing negotiations and is increasing its military pressure.

I am gravely concerned about this situation. I am concerned because it poses a serious threat to the chances for political stability in Southeast Asia and to the progress that has been made in removing Vietnam as a major issue of contention between the great powers.

I am also concerned because what happens in Vietnam can affect the rest of the world. It cannot be in the interests of the United States to let other nations believe that we are prepared to look the other way when agreements that have been painstakingly negotiated are contemptuously violated. It cannot be in our interest to cause our friends all over the world to wonder whether we will support them if they comply with agreements that others violate.

When the United States signed the Paris Agreement, as when we pursued the policy of Vietnamization, we told the South Vietnamese, in effect, that we would not defend them with our military forces, but that we would provide them the means to defend themselves, as permitted by the Agreement. The South Vietnamese have performed effectively in accepting this challenge. They have demonstrated their determination and ability to defend themselves if they are provided the necessary military materiel with which to do so. We, however, may be judged remiss in keeping our end of the bargain.

We—the Executive and Legislative Branches together—must meet our responsibilities. As I have said earlier, the amount of assistance appropriated by the previous Congress is inadequate to the requirements of the situation.

I am, therefore, proposing:

—A supplemental appropriation of \$300 million for military assistance to South Vietnam.

The \$300 million in supplemental military assistance that I am requesting for South Vietnam represents the difference between the \$1 billion which was authorized to be appropriated for fiscal year 1975 and the \$700 million which has been appropriated. This amount does not meet all the needs of the South Vietnamese army in its defense against North Vietnam. It does not, for example, allow for replacement of equipment lost in combat. It is the minimum needed to prevent serious reversals by providing the South Vietnamese with the urgent supplies required for their self-defense against the current level of North Vietnamese attacks.

I believe that this additional aid will help to deter the North Vietnamese from further escalating their military pressure and provide them additional incentive to resume the political discussions envisaged under the Paris Agreement.

All Americans want to end the U.S. role in Vietnam. So do I. I believe, however, that we must end it in a way that will enhance the chances of world peace and sustain the purposes for which we have sacrificed so much.

CAMBODIA

Our objective in Cambodia is to restore peace and to allow the Khmer people an opportunity to decide freely who will govern them. To this end, our immediate goal in Cambodia is to facilitate an early negotiated settlement. The Cambodian Government has repeatedly called for talks without preconditions with the other Khmer parties. We have fully supported these proposals as well as the resolution passed by the United Nations General Assembly calling for early negotiations among Khmer parties.

Regrettably, there has been no progress. In fact, the Communists have intensified hostilities by attacking on the outskirts of Phnom Penh and attempting to cut the land and water routes to the capital. We must continue to aid the Cambodian Government in the face of externally supported military attacks. To refuse to provide the assistance needed would threaten the survival of the Khmer Republic and undermine the chances for peace and stability in the area.

The Cambodian Government forces, given adequate assistance, can hold their own. Once the insurgents realize that they cannot win by force of arms, I believe they will look to negotiations rather than war.

I am, therefore, proposing:

- Legislation to eliminate the current ceilings on military and economic assistance to Cambodia, and to authorize the appropriation of an additional \$222 million for military aid for Cambodia, and
- An amendment to the fiscal year 1975 budget for the additional \$222 million.

To provide the assistance necessary, the present restrictions on our military and economic aid to Cambodia must be removed and additional money provided. The \$200 million in military assistance currently authorized was largely expended during the past six months in response to the significantly intensified enemy offensive action. In addition, I have utilized the \$75 million drawdown of Department of Defense stocks authorized by Congress for this emergency situation. Since the beginning of the Communist offensive on January 1, ammunition expenditures have risen and will exhaust all available funds well before the end of this fiscal year. To meet minimum requirements for the survival of the Khmer Republic, I am requesting an additional \$222 million in military assistance and the elimination of the present \$200 million ceiling on military assistance to Cambodia. I am also requesting elimination of the \$377 million ceiling on overall assistance to Cambodia. This is necessary to enable

us to provide vital commodities, mostly food, under the Food for Peace program, to assure adequate food for the victims of war and to prevent the economic collapse of the country.

I know we all seek the same goals for Cambodia—a situation wherein the suffering and destruction has stopped and the Khmer people have the necessary security to rebuild their society and their country. These goals are attainable. With the minimal resources and flexibility I am requesting from you, the Congress, we can help the people of Cambodia to have a choice in determining their future. The consequences of refusing them this assistance will reach far beyond Cambodia's borders and impact severely on prospects for peace and stability in that region and the world. There is no question but that this assistance would serve the interests of the United States.

GERALD R. FORD

The White House,
January 28, 1975.

54

Exchange of Remarks During a Briefing for Economic Writers.
January 29, 1975

I HATE to interrupt all of you experts in the field of economic writing and deprive you of a chance to talk to Bill and Alan and others, but I did want to come in and just say a word or two to let you know that I have very deep convictions about the need and necessity of moving ahead, not only in the economic field with the plan that we have but also in the energy program.

The economic plan we spent a great deal of time on. We tried to balance it with the tax reductions that we proposed, plus the need and necessity to tie in to balance the holddown on the expenditure side. Unfortunately, most of the emphasis so far at least has been in the tax reduction areas, with insufficient emphasis on the expenditure limitations.

I am more optimistic that they will do 50 percent of the tax reduction and not the other 50 percent, which is equally important as we look not only at the short haul but the long run.

I not only spent a great deal of time on the tax alternatives but probably even more time, because of the immensity of the document, on the budget. Fortunately, I had had 14 years on the Committee on Appropriations, so budget documents were not new to me.

Working with Roy Ash and his people over a period of several months, we went into quite a bit of detail on the budgets for virtually every department. Any time that the guidelines of the OMB to a department were challenged by a department, I personally got into it, and there must have been 150 or more major decisions in the main, but some relatively small ones.

The point is that if we are going to make this program really work in 1975 and maintain a prosperity in 1976 and so on, I think we have to do something on the expenditure side.

The energy program, of course, came to me in the form of a massive document resulting from a year's study by the FEA and various other people, and we spent again countless hours going through the various options that were prepared for decision.

We have a list of legislative and administrative actions that are related to the energy program, with assignments to each department and to each part of the executive branch as to time schedule, prospective action or inaction.

It is a very comprehensive program, and we are having put in one bill all of the legislative proposals. Roy Ash told us this morning that there would be 700 pages. We are doing this because we want it to be, as it is, a comprehensive approach to the problem of energy.

There probably are 30 or 35 individual bills, as I recollect. We could parcel them out, and some would be 5 pages, some would be 40, and some would be 75. I think it would destroy the impression as well as the substance that this is a plan.

What we intend to do is to take this document and put it up there on the desk and say, now here is a plan that will solve the problem short run, long haul. We don't mind you being critical of a part of it. But don't say that it is a plan that won't work. You come up with something that is comparable, and when you do, then we will talk about compromise, but you can't come up with one piece and expect to solve the whole problem.

The gentleman from the *Christian Science Monitor*—I was reading a piece on the back page with a wonderful line: We are not going to fiddle while energy burns. I am going to plagiarize, if I can—and I don't want to use it without saying I am plagiarizing it, but I think it is precisely right—we are not going to fiddle while energy burns.

We are going to have a document, we are going to have a comprehensive plan, and we hope if they are critical, they will come up with something that is comparable in depth of the approach and the width of the attack.

I didn't get into any of the details. I know a few of the details, and I will be glad to answer any of the questions, but in both cases I have tried to emphasize,

which I feel very strongly on, that we have got an overall plan in both cases, and I think it is the responsibility for Congress to act.

Q. Mr. President, could some of the concerns that we face today possibly be avoided if the respective leaders of Congress were brought into the planning sessions before you publicly made available a program?

THE PRESIDENT. I know some feel that way, but I think you have to bear in mind a couple of things. We did most of the decisionmaking while Congress was in recess, both when they adjourned and before they came back. And I felt it was of maximum importance to have something up on the desk of Congress as soon as they reconvened. As you know, my State of the Union encompassed the program the day after they returned.

There was some briefing, I must say, if not full participation, prior to the actual submission of the plan to the Congress. I had a meeting of about an hour with the Speaker where he told me what the Democratic plan was and I told him what our plan was.

I did meet with Al Ullman. I did meet with Russell Long.¹ Some of the people on the White House staff and on the executive side did contact various Members of Congress on both sides of the aisle.

Q. Mr. President, can you envision any circumstance under which you might agree to relent on the oil import fees and give the Congress additional time?

THE PRESIDENT. I think the acts I have taken on the first of February I must stay with. I think this is the executive action that has gotten the solution to the energy problem off dead center. We had nothing but studies and talk.

Was it 1970 or 1971 that the Senate authorized a comprehensive study of the energy problem and solutions? I am told there has never been any report—or the time has come to stop studying it, and the time has come to act on it.

The only way I know—and I am being very frank with you—I deliberately did it because this is the one way that we have crystallized some potential action.

Q. Mr. President, you have said how strongly you feel on the tax question. Looking at the tax side, is there any more room for compromise on that side? This is what we were discussing just before you came into the room, to compromise with those who feel the economy needs a greater stimulus because perhaps the recession threat may be stronger than is felt on this side.

¹ Representative Al Ullman, chairman of the House Ways and Means Committee, and Senator Russell B. Long, chairman of the Senate Finance Committee.

THE PRESIDENT. It appears that in the economic package that the Congress is probably going to do it whether we agree with it or not. Isn't that right, Alan?

At least, as I read what Al Ullman is talking about, that is what is going to happen. We think what we have proposed is sound, but this is a government where you have the executive and the legislative acting as coequals. So, we will do everything we can to sell our program, but we do have to end up with what the judgment is of the Congress. I hope that there won't be too much deviation.

Q. Mr. President, could you sign Mr. Ullman's bill?

THE PRESIDENT. I would not pass judgment here this afternoon on whether I could or could not, but there is a reasonable similarity. Of course, that is only his views, and he has got 36 other members on that committee, so there may be some modification between what he is talking about and what the committee and the Congress finally do.

I think it would be premature for me to say I would sign or would veto that bill.

Q. Mr. President, I don't know whether you mean to be firm on the spending side or not. You mean you would not sign any bill to increase spending, other than for energy?

THE PRESIDENT. I think I was pretty categorical. We certainly are not going to recommend any. And I phrased it this way: I said I will not hesitate to veto any new spending program.

Q. Mr. President, there is a bill to raise the Federal debt limit, and attached to that bill is a bill to suspend your tariff-raising authority. Would you veto that bill when it comes up?

THE PRESIDENT. I was asked that in the joint leadership meeting the other day, and I said to them—and I will say to you again—I don't think I ought to pass judgment until I see what comes down, because it may or may not come down in that form.

So, I see no reason to either tell them or to tell you what I might do in some hypothetical situation. I have enough trouble making real decisions rather than hypothetical ones.

Q. Mr. President, you were emphatic in speaking about the February import fee increase. Do you intend to leave some room for compromise for later increases, and in what possible area?

THE PRESIDENT. The proclamation includes all 3 months. I certainly intend to stick by the proclamation.

Q. Mr. President, when you submitted your original tax program, we were told that the increase in living cost and the fuel cost for the average family would

be something like \$250, but since then we have been told it would be something like perhaps as much as \$345. In view of that greater impact, do you think that there should be tax concessions in the program?

THE PRESIDENT. I read that headline, and I was somewhat irritated, to put it mildly. The first question I asked when I got to the office was, "What happened?" So, let Eric explain.

ERIC ZAUSNER [Administrator, Federal Energy Administration]. I think the answer is it will not be \$345. Our best estimate still is in the range of \$250 to \$275. That \$345 number was merely our attempt to see what we felt the absolute maximum could be with all the ripple effects and a number of other things that people thought potentially could happen, given our best assessment of what will happen.

The way the economy is now, we feel that is an unrealistic number, and \$250 to \$275 is still our best estimate of where this will work its way out.

ALAN GREENSPAN [Chairman, Council of Economic Advisers]. The \$345, as I recall, is equivalent to 2.5-percent increase in CPI and the \$275 is the 2 percent, is that correct?

Also, it is on a family income of, as I recall, \$15,000, which is the average, but not the median, and there is a very significant difference. When you look at these absolute numbers, it would be a very significantly different and lower number in lower income groups, because they use and spend less on energy.

Q. I was wondering whether in your conversations with other chiefs of state whether they have made any comment on our economic and, even, energy programs, and what the reaction from abroad has been.

THE PRESIDENT. When Helmut Schmidt was here, he had just announced his proposed economic program, and he has strongly endorsed it, spoke out for it, and he hoped that the European countries, West Germany, and ourselves could work together.

I got a communication through official channels—and I am not sure it was not in the West German press—that he was very favorably impressed and was very happy that we had taken much the same line that he had taken.

We got an equally favorable comment from the French Government, Giscard. When we were in Martinique, we did talk about economic plans and action that would be similar rather than different.

I might say I have heard indirectly that Mr. Wilson² feels the same way, although we have not heard or at least I have not seen anything.

² Prime Minister Harold Wilson of the United Kingdom.

Q. Mr. President, your comments a few moments ago on the tax cut question left me, at least, with the impression that you are more open to compromise on the details of that part of your package as opposed to the energy part of your package. Is that correct, sir?

THE PRESIDENT. I don't think so, except the circumstances are different. The energy program is very broad, and it is highly integrated and highly correlated, all the various parts. Now, the tax plan is too, but there always have been variations between what a President recommended and what a Congress did in these areas—very few instances that I have run into or recollect, that what the President sent down, Congress approved.

I still believe the rebate on 1974 taxes is the right one. You know, we had some criticism. People said, well, why don't you put it all on 1975 and change withholding. Well, the fellow who does not have a job in 1975 is not going to get any benefit if you just change withholding. He might have had a job in 1974, and he will get a rebate.

So, you have to go back to 1974 if you are going to get any return to somebody, because more people had jobs than they have in 1975. So, I think you have got to go back to 1974.

I notice that Al Ullman's plan does talk about \$6 billion to \$7 billion worth of it in 1974 rebates, which is a little different—well, it is \$6 billion to \$7 billion different than when he first talked to me, because he was thinking all of it on 1975.

So, I think there is room for some flexibility, even though we are strongly in favor of what we originally submitted.

Q. Are you saying on your energy program that you are not willing to compromise on the tariff at all until the Democrats do come up with some comprehensive alternative to your plan?

THE PRESIDENT. I think so.

Q. Could I just follow that one up? Mr. President, what about the more extensive proposal, the second stage of the proposal; that is, to decontrol in April? Will you go forward with that decontrol on the old oil in April if Congress has not come up with a program?

THE PRESIDENT. I see no reason to change that time schedule from the whole program. I would hope they would act, however, and that, of course, is the thrust of the action that we are taking on February 1.

Q. Mr. President, would it not set an admirable example for Congress if you were to dismantle the WIN operation now that it is largely outmoded?

THE PRESIDENT. No. I said in the State of the Union and I said in my Monday night speech that you have to have governmental action but you also have to

have nongovernmental action. The day that we can totally rely on what the Government does to solve these problems, I think, just does not exist. The one is complementary to the other. I think the American people are basically oriented toward voluntary action, and they have done some good things. I don't think it is helpful to disparage what people do in a voluntary way.

Q. Mr. President, what is your reading of public reaction to the program as opposed to Congressional reaction?

THE PRESIDENT. I think people who understand the full impact, the aim, and objective of the program generally support it. The ones who have not studied it in its entirety and picked on something they don't like, then of course they really attack that part and, by inference, attack the rest.

But I repeat, we have got a plan; it is going to be up there in 600 or 700 pages; it is comprehensive; it is aimed at solving the short-range and long-range problem. And we are going to keep the pressure on. As I said a moment ago, plagiarizing, we are not going to fiddle while energy burns. The critics have yet to find a comprehensive plan that has any degree of comparability as to their approach.

Q. Mr. President, at your press conference the other day you mentioned unemployment numbers. I wonder, first, if you could give us a more precise guess as to how high you see unemployment going and whether or not you and your advisers are concerned by the stickiness of the number. Do you have any prospect that unemployment may come down only very slowly right through, perhaps, next year as well as this year?

THE PRESIDENT. Well, I will make one or two comments and then let Alan Greenspan answer in more detail. We expect a jump in unemployment in the next reporting date, which is next week—is it?

MR. GREENSPAN. I think it is February 7, Mr. President.

THE PRESIDENT. The latter part of next week, probably.

Unfortunately, I think unemployment figures will be high for a few months. It does worry us. We are trying to meet it with our economic program and various employment aids such as unemployment compensation, public service employment, and so forth. But we are optimistic if the Congress enacts that by the third or fourth quarters of 1975, we will start to see some encouraging improvement.

Alan.

MR. GREENSPAN. I think that is pretty much our forecast, Mr. President.

Q. Is there a single high number you would want to give us on that?

MR. GREENSPAN. I will give that in the Economic Report, and I would just as soon not jump that deadline.

THE PRESIDENT. Well, I think I better leave. You have all these experts here. Thank you very, very much. Nice to see you all.

NOTE: The President spoke at 1:30 p.m. in the briefing by Administration officials on the President's Roosevelt Room at the White House during the energy and economic programs.

55

Letter to the Chairman of the Board of the Student Loan Marketing Association Requesting Election of Directors by Stockholders. *January 29, 1975*

Dear Mr. McCabe:

I have today determined that sufficient common stock of the Student Loan Marketing Association has been purchased by educational institutions and banks or other financial institutions. Therefore, I request you to proceed with the election of directors by the stockholders. Enclosed herewith is the memorandum of determination.

Let me take this opportunity to thank you and all the members of the Interim Board of Directors for your efforts in guiding the Student Loan Marketing Association during its initial period of operation. I look forward to the future growth of the Association as an important source of funds for lenders who provide loans to postsecondary students.

Sincerely,

GERALD R. FORD

Enclosure

[Mr. Edward A. McCabe, Chairman of the Board, Student Loan Marketing Association, 1750 K Street, N.W., Washington, D.C. 20006]

NOTE: The text of the memorandum is printed in the Code of Federal Regulations (3A CFR, 1975 Comp., p. 244).

56

**Remarks at the National Prayer Breakfast.
*January 30, 1975***

Thank you very, very much, John Dellenback. Mr. Vice President, my good friends from the Congress, my associates in the executive branch and our fellow

workers in government from the various States and local communities, ladies and gentlemen:

Al Quie is a very hard man to follow, whether in political debate, and especially at a prayer session. There are very few people I know who demonstrate better the truth that to be a leader, one must first be a servant. And Al is indeed a diligent servant of God and of his fellow men.

Yes, I have been fortunate to know, during a few years in Washington, many, many others who have the same strength, the same feeling. And it has been a great experience for me.

The platform on which we are standing this morning—"standing in the need of a prayer," as the old spiritual goes—is broad enough and strong enough to hold politicians of all elements of all parties, men and women of many different convictions, both religious and political convictions. The beauty of Joseph's coat is its many colors, and the beauty of these prayer breakfasts is the many faiths they bring together. We are joined in the profound realization that none of us can go it alone, and that we do not need to go it alone if we seek the help of God and of our fellowship.

While I have been coming to these annual gatherings for a good many years, I must admit that this one takes on a little different meaning. In the past, I have found it an opportunity for reflection and for rededication and an occasion to pray for our country and its leaders, for my friends and my loved ones, for the courage to do what is right, and forgiveness for my own shortcomings and trespasses.

But since we last met, I have discovered another aspect of the power of prayer: I have learned how important it is to have people pray for me. It is often said that the Presidency is the loneliest job in the world. Yes, and in a certain sense, I suppose it is. Yet, in all honesty, I cannot say that I have suffered from loneliness these past 6 months.

The reason, I am certain, has been that everywhere I go, among old friends or among strangers, people call out from the crowd or will say quietly to me, "We're praying for you," or "You are in our prayers," and I read the same sentiments in my mail. Of course, there are some that are not so inspiring, but the great groundswell of good will that comes from the true spirit of America has been a wonderful source of strength to me as it was, I am sure, to other Presidents before me. Believe me, having counted the votes and knowing that you have them is a great satisfaction, but the satisfaction of knowing that uncounted numbers of good people are praying for you is infinitely more rewarding.

Prayer is a very, very personal thing, at least for me. Yet, to me, as many of my predecessors, it is a terribly important source of strength and confidence.

Now I am able to truly appreciate that statement attributed to Abraham Lincoln, who confessed, and I quote: I have been driven many times to my knees by the overwhelming conviction that I have nowhere else to go. My own wisdom and that of all about me seemed insufficient for that day.

President John F. Kennedy spoke to one of these prayer breakfasts a few months before his tragic death. Many of you will remember his moving conclusion, and let me share it with you: "This morning we pray together; this evening apart. But each morning and each evening, let us remember the advice of my fellow Bostonian, the Reverend Phillips Brooks: 'Do not pray for easy lives. Pray to be stronger men! Do not pray for tasks equal to your powers. Pray for powers equal to your tasks.' "

On the day that I suddenly became President of the United States, after all the guests had gone, I walked through some of the empty rooms on the first floor of the White House and stopped by that marble mantle in the dining room to read the words carved in it—words that were a prayer of the first President who ever occupied the White House: "I pray to heaven to bestow the best of blessings on this house, and all that shall hereafter inhabit it," John Adams wrote. "May none but honest and wise men ever rule under this roof."

I am grateful to President Adams for leaving that message and to all who have said amen to it for nearly two centuries.

My own prayer is for God's continued blessing and God's continued guidance for our country and all its people whose servants we in government strive to be.

It had been my intention to suggest we have a prayer together at this point, but Harold Hughes will follow. Let me just say, I hope at some time during this day, each in your own way, if you think it appropriate, will pause to ask God's blessing upon our Nation, our leaders in the executive, the legislative, leaders in all forms of government throughout this country, and yes, to all our people. And when you have finished, I think we can say that we should thank our Father for listening, in Jesus' name, amen.

NOTE: The President spoke at 9:11 a.m. in the International Ballroom at the Washington Hilton Hotel. Former Representative John Dellenback presided at the breakfast, sponsored by the United

States Senate and House prayer breakfast groups.

In his remarks, the President referred to Representative Albert H. Quie of Minnesota and former Senator Harold E. Hughes of Iowa.

57

**Remarks of Welcome to Prime Minister Harold Wilson
of the United Kingdom. January 30, 1975**

Mr. Prime Minister, ladies and gentlemen:

It gives me a very great deal of pleasure to welcome you again to the United States. You are no stranger, of course, to this city and to this house. Your visits here over the years as a staunch ally and a steadfast friend are continuing evidence of the excellence of the ties between our countries and our people.

You, Mr. Prime Minister, are the honored leader of one of America's truest allies and oldest friends. Any student of American history and American culture knows how significant is our common heritage. We have actually continued to share a wonderful common history.

Americans can never forget how the very roots of our democratic political system and of our concepts of liberty and government are to be found in Britain.

Over the years, Britain and the United States have stood together as trusting friends and allies to defend the cause of freedom on a worldwide basis. Today, the North Atlantic Alliance remains the cornerstone of our common defense.

However, we and other members of the Atlantic community face a new dimension of challenges. That these challenges today are different from those that we have confronted in the past does not mean that they are any less perilous.

What is at stake is the future of industrialized democracies which have perceived and sustained their destiny in common for 30 years. The problems of recession, inflation, and of assuring equitable access to fairly priced resources threaten the stability of every economy and the welfare of people in developed as well as developing nations alike. These problems defy solution by national means alone.

Mr. Prime Minister, as I recently said in my State of the Union Address, if we act imaginatively and boldly to deal with our present problems, as we acted after World War II, then this period will, in retrospect, be seen as one of the great creative moments in our history.

Britain's role then, as now, was crucial. Only by working together can the industrialized democracies and the nations of the world overcome these great challenges. Only in this manner can we insure a better life and a better world for all peoples.

The United States, for its part, is fully prepared to give our closest coopera-

tion to this joint enterprise. A start has already been made—an international energy program, an international energy agency, and an international financial facility have been created.

Consultations such as you and I will have today and tomorrow are setting the stage for further cooperation. Your Government plays a very essential part. We recognize and we applaud the support that Britain has shown for strengthened international cooperation and your contribution to dealing with the global problems of inflation, food, and energy.

Mr. Prime Minister, I look forward with pleasure to the discussions that we will have on the major security, political, and economic issues before our two countries. As befits talks between close friends, I know that they will be wide-ranging and candid. They will confirm our mutual trust and serve our common goals.

Mr. Prime Minister, you and your party are most welcome in our country.

NOTE: The President spoke at 10:41 a.m. on the South Lawn at the White House where Prime Minister Wilson was given a formal welcome with full military honors. Prime Minister Wilson responded as follows:

Mr. President:

First, may I thank you for your very warm welcome, symbolic in every way of the close friendship and the very real ties which, as you have said, have always existed between our countries over the generations.

It is today a privilege that the Foreign Secretary [James Callaghan] and I should have the opportunity to join with you and the Secretary of State in what I am sure will be wide-ranging and deep discussions about the problems we face together as

friends, as partners, and as allies.

We could not be meeting at a time of greater moment for the causes for which our two countries have worked and fought over the years—the continuing strength to protect and fortify peace and to bring security to all our peoples, and especially at this time, our declared pledges to our own peoples and to the wider world of our determination to meet this new and menacing world economic crisis.

For we know that the urgency of meeting this challenge is not simply a question of economic mechanisms and economic institutions; it is vital for the economic security, the jobs, and the living standards of the millions of families whose interests we are here to protect and to serve.

Mr. President, I thank you.

58

Statement Announcing Extension of the Program for the Return of Vietnam Era Draft Evaders and Military Deserters. *January 30, 1975*

LAST September I announced a program of earned return for those who were draft evaders and military absentees during the Vietnam conflict.

This program was intended to reach a broad group of young Americans who had been convicted, charged, investigated, or who were still sought for violations of the Military Selective Service Act or of the Uniform Code of Military

Justice. Also, this program was intended to provide a way for many persons who received an undesirable discharge from military service for absentee-related offenses to upgrade their discharge certificate to a clemency discharge.

After reviewing the progress of this program, I believe that many of those who could benefit from it are only now learning of its application to their cases. This belief is based on a significant increase in the number of applications and inquiries over the past few weeks when publicity and communications about the program were greatly expanded.

Therefore, I am today extending the termination date for applications from January 31 until March 1, 1975.

NOTE: On the same day, the President signed Proclamation 4345 and Executive Order 11837, extending the program's application period.

59

Special Message to the Congress Reporting on Budget Rescissions and Deferrals. *January 30, 1975*

To the Congress of the United States:

I herewith report on additional rescissions and deferrals for fiscal year 1975, as required by the Congressional Budget and Impoundment Control Act of 1974.

Thirty-five new rescissions and 14 new deferrals are proposed in the amounts of \$1,097 million and \$769 million, respectively. In addition, five revised rescission reports reduce by \$178 million the amounts proposed for rescission in earlier reports, and 12 revised deferral reports increase the amounts reported as deferred in earlier reports by \$111 million.

In the main, the rescissions and deferrals transmitted herein seek to reduce the increased Federal spending that would otherwise result from four recently-enacted 1975 appropriation bills—Labor-Health, Education, and Welfare; Agriculture-Environmental and Consumer Protection; the First Supplemental; and the Urgent Supplemental. The 93rd Congress, in the conference report on the Labor-HEW bill, indicated its willingness “. . . to give full consideration to such rescissions and deferrals . . .” as might be required to keep 1975 spending within the total estimate for the bill.

If the Congress does not agree to the rescissions and deferrals accompanying this message, the 1975 deficit will grow by \$357 million and the 1976 deficit by \$675 million. I ask the 94th Congress to give full consideration to the question

of whether increased Federal spending—with its associated inflationary effects and implied longer-term commitments—is warranted for these programs at this time.

GERALD R. FORD

The White House,
January 30, 1975.

NOTE: The attachments detailing the rescissions and deferrals are printed in the Federal Register of February 6, 1975 (40 FR 5631).

60

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Energy Legislation. *January 30, 1975*

IN MY State of the Union address earlier this month, I outlined the dimensions of our interrelated economic and energy problems and proposed comprehensive and far-reaching measures for their solution.

The measures I described included both Executive and Congressional actions. Because further delay is intolerable, I have already taken administrative action to deal with our energy problems, including issuance of a proclamation to impose increased fees on imported oil. The Secretary of the Treasury has already presented my detailed energy tax proposals to the House Ways and Means Committee.

I am enclosing a proposed omnibus energy bill—the Energy Independence Act of 1975—which, along with the tax proposals already presented, will provide the combined authorities that are necessary if we are to deal seriously and effectively with the Nation's pressing energy problems.

We have delayed too long in taking decisive actions to reduce our dependence on foreign energy sources and to eliminate our vulnerability to energy disruptions such as we experienced last winter—or worse.

In the near term, enactment of the proposed legislation along with certain Administrative actions would reduce oil imports by one million barrels per day by the end of this year, and two million barrels per day by the end of 1977. Over the mid-term (1975–1985), enactment of the proposed legislation will insure that domestic supplies of energy are substantially increased, that the growth in energy demand is reduced substantially and that we develop effective protection from future energy embargoes or energy emergencies. In the long

term, my proposals will allow our Nation to once again supply a significant share of the energy needs of the free world.

The legislative program I have proposed will:

- (1) encourage early development of our oil, natural gas and coal resources;
- (2) help speed the siting and construction of nuclear and other energy facilities;
- (3) reduce energy consumption by mandating thermal standards for new homes and commercial buildings and assisting persons with low incomes in winterizing their homes;
- (4) encourage investments in the development of new domestic energy resources;
- (5) establish a strategic petroleum reserve to guard against future import disruptions; and
- (6) authorize certain standby authorities to cope with potential embargoes or energy emergencies.

A more detailed summary of my legislative proposals is enclosed.

My tax proposals already presented by the Secretary of the Treasury would:

- (1) place an excise tax of \$2 per barrel on all domestic crude oil and an import fee of \$2 on all imported crude oil and petroleum products to help reduce the demand for oil, promote domestic refining and encourage the development of new sources of energy;
- (2) impose a tax on all domestic crude oil in order to capture windfall profits;
- (3) place an excise tax on natural gas equivalent to the \$2 tax on oil to reduce natural gas demand;
- (4) provide additional tax credits for public utilities to provide equal tax treatment with other industries and promote the construction of needed electric generating facilities;
- (5) provide tax credits for homeowners who install additional insulation to reduce energy consumption;
- (6) return to the economy the revenue from energy conservation taxes to offset higher energy costs, particularly for low and middle income citizens, and to help restore jobs and production.

The 13 titles of this bill, coupled with appropriate tax measures, are essential to the eventual attainment of our common goal of energy independence. Prompt action on all these measures is essential.

I cannot stress too much the sense of urgency I feel about these proposals and the need for their swift consideration by the Congress as a basis for the earliest possible enactment into law. Without these measures, we face a future of

shortages and dependency which the Nation cannot tolerate and the American people will not accept.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate. The summary of the proposed legislation was included as part of the release.

61

Toasts of the President and Prime Minister Wilson of the United Kingdom. *January 30, 1975*

Mr. Prime Minister and Mrs. Wilson, our distinguished guests:

We are very deeply honored and we are greatly pleased to have both of you and your party here with us this evening. You have been guests in this house before, and I hope you have enjoyed it tonight as well as you have enjoyed your previous occasions. My wife and I consider ourselves very fortunate to have this opportunity to extend our hospitality to both of you, both officially as well as personally.

The great heritage that we have, that we share, draws our two countries together. George Bernard Shaw once remarked that we are two nations separated by the same language. Nevertheless, I believe you will agree that what unites us is vastly more significant than our differences.

As you put it so well on a previous visit, Mr. Prime Minister, Britons and Americans communicate effectively because we share a common background of understanding. And each of us is aware that behind these few words lie volumes of thought and experience which do not need to be articulated, and of course, this is a priceless asset to both our nations and our enduring friendship.

Mr. Prime Minister, another aspect of our common heritage is our devotion to democracy, our faith in the wisdom of people. And you and I have spent most of our adult life in government in one capacity or another.

This year marks the 30th anniversary of your election as a member of the Parliament where you have built an extraordinary record of achievement, leadership, and service to your country.

My own election to the House of Representatives was in 1948, when one of our guests—Hubert Humphrey—and I were both elected, he to a more prestigious office, in the minds of some Members of the Congress—[laughter]—

but none of us in those days could have foreseen what would happen in the 1970's.

Today, the task is not to rebuild and to reorder a world torn by war, but to face the challenges of peace and to face the problems of recession, inflation, balance of payments deficit, the shortages of energy and fuel as well as food, and the safeguarding of our security while trying to reduce the international tensions that are difficult as we try to strengthen our international relationships.

The problems underlying our interdependence of nations and the need for communication are vastly important, and our two nations, I think, can set an example for the problems that we face in this regard.

Recently, the world honored the 100th anniversary of Sir Winston Churchill's birthday, and it is almost unbelievable that today marks the 10th anniversary of Sir Winston Churchill's death. So, we think of him and of our difficulties and challenges. We are reminded of his courage and optimism in the face of great peril.

He told the world in December of 1941—and I think this is appropriate to mention now—"We have not journeyed all this way across the centuries, across the oceans, across the mountains, across the prairies because we are made of sugar candy."

Mr. Prime Minister, the challenges we face are serious, they are different and, in many ways, much more complex than those confronted in the Second World War. Yet I am confident by working together, the free and democratic nations can again triumph. We are still made not of sugar candy.

I look forward, Mr. Prime Minister, to continuing our constructive discussions tomorrow that we initiated today. It was most enjoyable to have an opportunity to be in the company of our British friends.

Mr. Prime Minister, you and I talked before dinner of a sport that apparently we both enjoy but we don't do too competently. It is a sport better known among the Scottish, but loved by Americans as well as the British.

You know, I especially like to play golf with our Secretary of State, Henry Kissinger, who is with us tonight. Henry is undoubtedly one of the greatest diplomats this world has ever known.

Let me tell you why I can make that categorical statement. The last time we played, I found myself in a sand trap. There was a water hazard beyond that, and then 95 feet before we found the first hole. Henry conceded the putt.
[Laughter]

Mr. Prime Minister, with profound appreciation for your presence with us today and tonight, I offer a toast to Her Majesty Queen Elizabeth and to you and Mrs. Wilson. To the Queen.

NOTE: The President spoke at 9:53 p.m. in the State Dining Room at the White House. Prime Minister Wilson responded as follows:

Mr. President, Mrs. Ford, Mr. Vice President, Mrs. Rockefeller, Your Excellencies, distinguished fellow parliamentarians of both Houses of Congress, ladies and gentlemen:

On behalf, Mr. President, of all those who have traveled with me for this meeting this week, I should like to express our sincere thanks for your warm hospitality and for your kindness in inviting tonight so great and distinguished a company of your fellow countrymen, many of them old friends of mine, very many of whom to my personal knowledge have contributed to the full in maintaining and strengthening our transatlantic friendship.

The tradition of meetings between the governments of our two countries is rooted deep in our history. The very informality and friendship of these meetings, as we have found again today, so far from being a bar to the deep and wide-ranging probing of world problems, these things are themselves a guarantee that these problems, fearlessly faced, will be resolutely handled.

In my experience, the value of these Anglo-American intergovernmental and equally, may I say, interparliamentary associations that strengthen our relationship—the value of them rests in the fact that when we meet, there is so much that just does not need to be said between us.

It is all taken for granted, whether it be the assertion of the principles which we jointly hold or whether it be the obligations upon us to work together towards the solution of our own problems and those of the world. And it saves a great deal of time, because we don't even have to go back to first base and repeat these things one to another.

From my experience of intergovernmental meetings in this city and in London, now going back more than a quarter of a century, I repeat tonight what I said to my hosts on Capitol Hill this afternoon. I repeat that I cannot recall a time when our relationship was so close or our understanding so deep as it is at this time as we meet, Mr. President, this week.

In past years and for more than a generation—many would say for many generations—our peoples have worked together and indeed fought together to secure and strengthen the peace of the world and the role that democracy can play and must play within that world.

Last year 15 North American and European

nations celebrated the 25th anniversary of the Atlantic Alliance. As a surviving member of the Attlee Cabinet in Britain, which jointly with President Truman's administration played so large a part in creating that alliance, I asked last year at the celebrations how many of us in 1949 could have foreseen the enduring strength of the alliance, still less foresee the contribution it would make and is making for peace and for the defense of democracy in some of those dangerous years which have laid between.

But whenever peace was in danger, whenever democracy was threatened, there were always leaders in our two countries ready to work together in joint action and in a wider setting to meet whatever challenge faced us, nor at any time did those leaders lack the unstinted support of their peoples.

But always we set before us the objective, not just of building strength for its own sake or even building strength just for our own defense; always we have looked on strength as a means to peace and to reconciliation and to détente.

It is these aims that we are together again this week pursuing with world leaders. It is these aims that Her Majesty's Government will continue to assert when the Foreign Secretary and I visit Moscow in 2 weeks' time.

But, Mr. President, in a wider sense, our talks this week are being directed to still greater, still wider, still newer problems which have arisen to threaten the economic life of our own nations and of so many other nations of the world, rich and poor. It is out of the very nature of the challenges we have faced together—challenges which now are to the economic advance, challenges to the well-being for all the peoples of the world—it is out of the nature of the very challenge, it is also out of the understandings developed between us in the past that we must now in this new situation forge still newer instruments for meeting the economic problems, these problems the gravity of which—and they are grave—serve only to strengthen the joint resolution which we shall put forward together.

In this spirit, Mr. President, thanking you again for your wonderful hospitality today and this evening, it is in this spirit that we undertake together the discussions of this week, and it is in this spirit, too, that we shall go forward together.

In that spirit, Mr. President, may I now have the honor, on behalf of your visitors here this week and of this great company, of proposing the health and prosperity of the President of the United States and of Mrs. Ford.

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Remarks at a News Briefing on the Fiscal Year 1976 Budget.*February 1, 1975*

Thank you very, very much, Roy, and your associates in the Office of Management and Budget, members of the press, guests:

It is a great privilege to be here, even though the news may not be good. But I come here this morning, following in the footsteps of another President by coming here personally, face-to-face to present my budget proposals for fiscal year 1976.

That President was Harry Truman, and the last such occasion was January 19, 1952, when he met with the press to discuss the budget for fiscal year 1953—a budget, I might add, that had jumped to \$85 billion, described at that time as astronomical.

In the discussion President Truman said, and I quote: “This budget has been the biggest headache I have ever had.” Well, as I look at the Federal budget for the fiscal year 1976, I can only say, “Harry, I hope you left some aspirin for me.”

Let me begin by saying that the President’s annual budget is a carefully considered and integrated set of policies, programs, and priorities that a President recommends to the people and to the Congress to set our national course into the future. Thus, the budget is one of the President’s major policy pronouncements each year.

I want to talk to you about some of the key features of the budget for fiscal year 1976, which I will submit to the Congress next Monday.

It is a big budget, calling for expenditures of \$349 billion—almost \$1 billion a day—during the year starting next July 1. It will result in a large deficit for the year—\$52 billion—and this deficit, large as it is, would increase by another \$17 billion to nearly \$70 billion if the Congress does not agree to all of the reductions I have requested in this budget. It is essential that the Congress be very mindful of this fact.

I do not like to see deficits of this size—nor any, for that matter. I know most Americans agree. And I am resolved to take those steps that will make such deficits unnecessary in the future. That requires, most of all, the restoration of a vigorous economy in this country. But we must be realistic; we must recognize that in times like these, it is good national policy both to provide financial support to those unemployed and to introduce a measured amount of additional stimulus into the private economy by a tax reduction. My budget, as an integral

part of the total economic recovery and energy independence plan I have proposed to the Congress, does just that.

Overcoming the recession is, however, not the only goal of my budget. It is equally essential that we not rekindle the fires of inflation. I have carefully gone over the programs proposed by the various executive departments for the inclusion in the budget.

I have concluded that for this year, at least, it would be imprudent to initiate any new spending programs, except for energy. None is proposed. Further, it has been a popular notion to consider some Government expenditures as uncontrollable; that is, they would go on and on whether we like it or not. I categorically reject that view. They are controllable, if the Congress on the one hand and the President on the other do something about them.

My budget proposes significant reductions in a number of programs up to now considered to be uncontrollable. Together, the reductions I am proposing amount to \$17 billion for fiscal year 1976. I urge the Congress to join me, to work with me so that we can bring spending under control.

For a while, the one-time tax reduction I have proposed will aid the economy in overcoming the present recession. The more permanent program expenditure reductions are necessary if we are not to embark on a course of future spending that will be highly inflationary.

Aside from the effects of my proposed tax reduction, the deficits anticipated for both 1975 and 1976 are largely the result of aspects of the budget and the tax system that respond automatically to changes in the economy; that is, in the case of an economic downturn, Federal tax collections slow down as incomes and profits slide, and unemployment benefits rise very sharply.

These factors cushion the economy, but they also cost money. Specifically, aid to the unemployed, including the special measures that I proposed and were enacted, will be \$12.7 billion larger in fiscal year 1976 than they were in fiscal year 1974. This will provide income support for more than 14.5 million beneficiaries and their families.

Federal receipts for fiscal year 1976 would be more than \$40 billion higher if the economy were operating normally. These factors, apart from any other consideration, more than account for the deficit in fiscal year 1976.

Or, in short, if the economy were operating at the rate of only a year ago, I would not be forecasting such a large difference between revenues and expenditures. In fact, we would have balanced budgets both this year and next.

Government expenditures at all levels—Federal, State, and local—together now account for almost one-third of our gross national product. An increasing

proportion of these expenditures are payments for individuals such as social security, Medicare, public assistance, and other programs. But if these kinds of expenditures continue at anywhere near their past rate of growth—more than twice that of GNP—total government expenditures could slice away more than half of our GNP in two decades.

When I submit my budget for this year, I especially urge the budget committees of the House and the Senate to take advantage of the provisions of the new Congressional Budget [and Impoundment] Control Act. This permits them in those two committees to set overall budget goals for the year and live within the totals set.

In taking this action, the committees in both the House and the Senate should make a detailed study of the \$349 billion budget for fiscal year 1976. The two committees should note that unless the goals set by the committees for the Congress hold my \$17 billion in budget cuts—in other words, if they don't keep the budget reductions at the levels that I have suggested—the deficit for fiscal year 1976 will rise to nearly \$70 billion, and for 1975 and 1976 together to about \$100 billion.

I, of course, will work very closely with the Congress in all of these matters. I will walk the extra mile and give all of my strength to getting the national economy in shape. I ask the Congress to walk that extra mile with me so that together we will lead the country with strength and purpose to a fuller life for all Americans.

In view of the fact that this briefing is under embargo, except for my remarks, which I have just made, I am advised that a question-and-answer session by me at this time would not be appropriate. However, I will be available to answer questions at a news conference next Tuesday.

It is now my pleasure to turn the meeting over to the Director of the Office of Management and Budget, Mr. Roy Ash.

Let me say at this point, I know firsthand what a superb job Roy Ash and his people have done at the Office of Management and Budget. I am particularly grateful for the outstanding service that he has given, and I think the American people should consider themselves most fortunate to have had in this important office, Roy Ash. I wish to publicly thank him and express my indebtedness to him for doing an outstanding job for me as well as the country.

I will turn Roy over to you. Ask him all of the tough questions, and I will be glad to answer the easy ones next Tuesday. [*Laughter*]

Thank you very much.

NOTE: The President spoke at 10:02 a.m. in the Department of State Auditorium.

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Remarks Upon Signing the Budget Message.

*February 3, 1975**Good morning, everybody.*

No single act a President can take sets forth our national goals and our national priorities so completely and so clearly as the annual Budget Message to the Congress. That is why I am particularly pleased to see here this morning so many of you who have worked so long and so hard on this particular document—to witness the signing ceremony which is the culmination of these efforts.

Both custom and good manners call for the Chief Executive to seek the cooperation of the Congress and to pledge his own as he, on this occasion, submits his budget document. The size of the projected deficit requires me to go far beyond custom and good manners in pledging my utmost cooperation. Together, we must stimulate the economy and reduce the rate of growth at which certain Federal expenditures have been growing in the past 10 years.

If these were normal economic times, the Congress would be receiving a budget in balance for the coming fiscal year rather than one with such a large deficit. But unfortunately these are not normal times, and the measures that I am proposing—to give the economy a boost with tax rebates and reductions, and to provide greatly expanded assistance to the unemployed—are responsible for some of the deficit. Lagging receipts from tax revenues contribute to most of the remainder of this deficit.

Without question, our immediate task is the restoration of active growth in our economy, and that goal is reflected in the projected budget deficit. To sustain our economic growth over the long haul, we must begin now to set a new course that will bring our future national budgets into balance during periods of good economic growth.

Although this budget carries with it a \$52 billion deficit, this amount will be even larger if the Congress fails to go along with the reductions totaling \$17 billion which I have requested. If we are to achieve long-range economic stability in America, free from ever-rising inflation, we must put into effect permanent reductions in program expenditures.

As I said at the press briefing on the budget last Saturday, it has become a commonly accepted view that some Government expenditures are uncontrol-

lable—that they will continue whether we like it or not. I firmly reject that view. They are controllable if the Congress and the President join together to hold down excessive spending. This budget is carefully designed to bring some of these so-called uncontrollables back into line. I ask the Congress to work with me to achieve that result.

Even with the steps I have proposed to return fiscal integrity, this budget continues the steady and sharp annual increase in Government payments to individuals—to those Americans who need help most from their Government.

These payments will increase by \$15 billion in fiscal year 1976 over 1975, from \$137 billion to \$152 billion. These payments include increased amounts for social security, welfare, unemployment compensation, and retirement payments. Such payments to individuals have increased steadily as a percentage of the total budget until they now account for more than 40 percent of Government spending.

Despite the huge deficit that we project, the budget being submitted today is a compassionate one. It has muscle as well. It has discipline and honest self-denial. It is a start in a new direction along the permanent road of fiscal integrity which Americans must achieve for the long-term economic good of our country.

I am pleased that Roy Ash and some of his staff from the Office of Management and Budget could be here today, because Roy is shortly returning to private life. Like the good soldier that he is, Roy stayed on to finish the job that he began in putting this budget together. He stuck to it until the last comma and the final period were in place. Roy may be one of the most unappreciated men in Washington—but not by me. I will miss his tough instincts and sound counsel.

Jim Lynn will be taking over a tight ship from Roy, and I look to him to enhance further the capability of solid management so necessary to that office.

At times like this, a simple “thanks” may sound inadequate. But the dictionary defines the term as an expression of gratitude and appreciation. And that is what this Administration—and this President—owes to Roy Ash.

Roy, I hate to see you go, but I must warn you: I have your unlisted telephone number in Los Angeles. [*Laughter*]

So, with those observations and comments, I will sign the two budget documents that go to the Congress. I can’t help but ask the question, Roy: Why didn’t we send one up there with the same red color that we have on the other one?

[*At this point, the President signed a copy of the message for each Chamber of the Congress.*]

A left-hander may not look good signing documents, but I couldn't help but appreciate those two left-handed tennis players yesterday.¹

Well, there is the bad news but also, if followed by the Congress, will be good news. So, Roy, let me give to you and the top people that I have worked with—and you have to a greater extent—a pen that is part of the operation and the final one.

This is for Paul O'Neill² and the others.

Thank you very much. Thank you again for all of the help and assistance.

Now, I know there are others besides the six or seven of you that have done some work on this. Well, thank all of you as well as Roy and the others, and we will try to have a better one next year. But this one is the best, I think, that we could possibly do under the economic circumstances and the facts of life, and I thank you again, Roy.

NOTE: The President spoke at 10:04 a.m. at a ceremony in the Cabinet Room at the White House attended by staff members of the Office of Management and Budget.

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Annual Budget Message to the Congress, Fiscal Year 1976. *February 3, 1975*

To the Congress of the United States:

The year 1976 will mark the bicentennial of this country. With this budget we shall begin our third century as a Nation.

In our first two centuries we have developed from 13 struggling colonies to a powerful leader among nations. Our population has increased from three million to more than 213 million. From a simple agricultural society we have grown into a complex industrialized one.

Our Government—and its budget—have grown with the Nation, as the increasing complexity of modern society has placed greater responsibilities upon it. Yet our society has remained free and democratic, true to the principles of our Founding Fathers.

As we approach our third century as a Nation, we face serious economic difficulties of recession and inflation. I have a deep faith, however, in the fundamental strength of our Nation, our people, our economy, and our institutions of

¹ The President was referring to a match between professional tennis players Jimmy Connors and Rod Laver.

² Deputy Director of the Office of Management and Budget.

government. I am confident that we can overcome today's challenges as we have overcome others in the past—and go on to greater achievements.

My budget recommendations are designed to meet longer-term national needs as well as immediate short-run objectives. It is vital that they do so. Because of the size and momentum of the budget, today's decisions will have far-reaching and long-lasting effects.

The recommendations set forth in this budget are an integral part of the broader series of proposals outlined in my State of the Union address. These proposals provide for:

- fiscal policy actions to increase purchasing power and stimulate economic revival, including tax reductions and greatly increased aid to the unemployed;

- a major new energy program that will hold down energy use, accelerate development of domestic energy resources, and promote energy research and development;

- an increase in outlays for defense in order to maintain preparedness and preserve force levels in the face of rising costs;

- a one-year moratorium on new Federal spending programs other than energy programs; and

- a temporary 5% ceiling on increases in pay for Federal employees, and on those benefit payments to individuals that are tied to changes in consumer prices.

These policies call for decisive action to restore economic growth and energy self-reliance. My proposals include a one-time \$16 billion tax cut—\$12 billion for individual taxpayers and \$4 billion for businesses—to stimulate economic recovery.

Total Federal outlays are estimated to increase 11% between 1975 and 1976. It is essential that we keep a tight rein on spending, to prevent it from rising still further and making tax reduction imprudent. I believe that tax relief, not more Government spending, is the key to turning the economy around to renewed growth.

I regret that my budget and tax proposals will mean bigger deficits temporarily, for I have always opposed deficits. We must recognize, however, that if economic recovery does not begin soon, the Treasury will lose anticipated receipts and incur even larger deficits in the future.

My energy program calls for an increased fee on imported oil, and an excise tax on domestically produced petroleum and natural gas. The proposals also call for decontrol of oil prices—coupled with a windfall profits tax—and deregulation of prices on new natural gas. These measures will discourage excessive energy use and reduce our dependence on imported oil. The \$30 billion in re-

ceipts these measures will produce will be refunded to the American people—refunded in a way that helps correct the distortions in our tax system created by inflation. Special provisions will ensure that low-income Americans and State and local governments are compensated equitably. All of these compensatory measures will be in addition to the \$16 billion in tax relief I have proposed.

My budget recommendations provide for total outlays of \$349.4 billion in 1976, an increase of \$35.9 billion over 1975, and anticipate receipts of \$297.5 billion, an increase of \$18.8 billion over 1975.

The Congressional Budget and Impoundment Control Act of 1974 provides for major reforms in the budget process. As part of these reforms, it changes the fiscal year for the Federal budget from the present July-through-June basis to an October-through-September basis, beginning with the 1977 fiscal year. This requires that there be a separate transition quarter, extending from July through September of 1976, after fiscal year 1976 ends and before fiscal year 1977 begins. Estimates for the transition quarter are included in this budget. In general, they anticipate continuing the 1976 program levels unchanged for the additional three months. Because outlays and receipts vary seasonally—that is, they do not occur at uniform rates during the year—the estimates for this quarter (and particularly the deficit) are not representative of a full year's experience.

THE BUDGET AND THE ECONOMY

If the Congress acts decisively on the new policies I have announced in my State of the Union address, and if we exercise reasonable patience and restraint, we can go far toward solving the broad range of economic problems our Nation now faces.

It must be clearly understood that these problems are serious and that strong remedies are fully justified. The economy is now in a recession. Unemployment

THE BUDGET AT A GLANCE

[In billions of dollars]

| Item | 1974 actual | 1975 estimate | 1976 estimate | Transition quarter |
|------------------|----------------|------------------|------------------|-----------------------|
| Receipts..... | 264.9 | 278.8 | 297.5 | 84.4 |
| Outlays..... | 268.4 | 313.4 | 349.4 | 94.3 |
| Deficit (—)..... | —3.5 | —34.7 | —51.9 | —9.8 |

is far too high and productivity has declined. At the same time, inflation, a serious and growing problem for nearly a decade, continues to distort our economy in major ways. Underlying these problems is the fact that we are far from self-sufficient in energy production, and even with the measures I have proposed, regaining the capacity for self-sufficiency will take years to achieve. Imported fuel supplies have been interrupted once and remain vulnerable, and oil prices have been increased fourfold.

The increased unemployment and continued price increases from which we now suffer are problems we share with much of the rest of the world. The roots of these problems are complex. The steep rise in the price of imported oil, for example, while directly increasing prices, has also acted like a tax increase by reducing the real income of American consumers and transferring that income to oil exporting countries. Lower real incomes, combined with consumer resistance to rising prices, has reduced the demand for goods in the American marketplace. Such factors, superimposed on the inevitable slowdown in economic growth following the boom of 1972-73, underlie the recession we are now in.

The weakening of consumer demand and investment, in turn, is beginning to exert a dampening effect on price and wage increases. Thus, inflationary pressures are already beginning to recede and are likely to continue to do so. The one-time increase in fuel costs needed to constrain excessive energy usage will not reverse this basic trend.

AIDING ECONOMIC RECOVERY.—In view of this situation, I have proposed a \$16 billion rebate of personal and corporation income taxes that will help reduce unemployment without rekindling inflation. This tax cut will contribute to deficits, adding \$6 billion in 1975 and \$10 billion in 1976.

Aside from the effects of the proposed tax reduction, the deficits anticipated for 1975 and 1976 are in large part the result of those aspects of the budget and the tax system that respond automatically to changes in the economy. When an economic slowdown occurs, Federal tax collections slow down more than incomes and profits do, and unemployment benefit payments rise sharply. These factors tend to cushion the economic downturn and help sustain individual and corporate incomes.

These stabilizing influences are substantial. If the economy were to be as fully employed in 1976 as it was in 1974, we would have \$40 billion in additional tax receipts, assuming no change in tax rates. Aid to the unemployed, including the special measures I proposed and the Congress enacted last December, will be \$12.7 billion larger in 1976 than in 1974, providing income support for

14.7 million beneficiaries and their families. In 1975, receipts would be \$30 billion higher and aid to the unemployed is up \$9 billion over 1974. These factors alone more than account for the deficits expected in both 1975 and 1976.

The Government must act decisively to help restore economic health, and act compassionately to aid those most seriously affected by unemployment. It does not make economic sense to insist on cutting a dollar out of the budget for each dollar of tax receipts lost just because of decreases in incomes and profits resulting from the economic downturn. Nor does it make sense arbitrarily to offset each dollar of increased aid to the unemployed by a reduction elsewhere in the budget.

Last October, I proposed a National Employment Assistance Act, which provided for liberalized unemployment benefits and coverage and for more public employment. Congress has since enacted, and I have signed into law, two em-

THE BUDGET TOTALS

[In billions of dollars]

| Description | 1974 actual | 1975 estimate | 1976 estimate | Transition quarter estimate | |
|--|----------------|------------------|------------------|-----------------------------------|-------|
| Budget receipts..... | 264.9 | 278.8 | 297.5 | 84.4 | |
| Budget outlays..... | 268.4 | 313.4 | 349.4 | 94.3 | |
| Deficit (—)..... | —3.5 | —34.7 | —51.9 | —9.8 | |
| Budget authority..... | 313.9 | 395.1 | 385.8 | 88.2 | |
| 1973 actual | | | | | |
| Outstanding debt, end of fiscal period: | | | | | |
| Gross Federal debt..... | 468.4 | 486.2 | 538.5 | 605.9 | 616.8 |
| Debt held by the public..... | 343.0 | 346.1 | 389.6 | 453.1 | 465.5 |
| Outstanding Federal and federally as- | | | | | |
| sisted credit, end of fiscal period: | | | | | |
| Direct loans—on budget..... | 44.2 | 46.1 | 46.2 | 49.6 | n.a. |
| Direct loans—off budget..... | 13.2 | 15.4 | 30.8 | 39.8 | n.a. |
| Guaranteed and insured loans ¹ | 146.9 | 153.2 | 154.0 | 161.7 | n.a. |
| Government-sponsored enterprise loans ² | 54.8 | 71.1 | 86.0 | 94.7 | n.a. |

¹ Excludes loans held by Government accounts and special credit agencies.

² See table E-10 in Special Analysis E, Federal Credit Programs, published in a separate volume.

ployment assistance acts derived from my proposals. One of these measures, the Emergency Jobs and Unemployment Assistance Act, provides unemployment benefits to workers not covered by the regular unemployment insurance system and provides increased job opportunities in the public sector. The other measure, the Emergency Unemployment Compensation Act, extends the length of time that workers covered by the regular unemployment insurance system are eligible for benefits. My budget recommendations include outlays of \$17.5 billion in 1976 for income support for the unemployed, both under these two acts and under the regular unemployment compensation programs. Another \$1.3 billion will be spent for increased public sector jobs.

BUDGET REDUCTIONS.—While recommending temporary measures to help the economy and to provide greater assistance to the unemployed, I have sought, on an item-by-item basis, to eliminate nonessential spending and avoid commitment to excessive growth of Federal spending in the long run. I am proposing no new spending initiatives in this budget other than those for energy. I am also proposing that the allowable increase in Federal pay and in benefit payments to individuals that currently are linked by law to increases in consumer price levels be limited to 5% through June 30 of next year. To be equitable, this ceiling should apply to all these programs. This limit will save \$6 billion in 1976 and permit us to concentrate maximum resources on direct efforts to speed economic recovery, including tax reduction.

In addition, I have previously asked the Congress to agree to a series of measures that would reduce outlays. In some cases the Congress has done so; in others it has overturned my proposals. Those economy measures to which Congress has not objected are reflected in my budget recommendations. These measures will provide \$8 billion in savings in 1976. Further program reductions recommended in this budget will save another \$3 billion. Unless the Congress concurs with the proposals now before it, including those advanced in this budget, outlays—and thus the deficit—will be about \$17 billion greater in 1976 than the figure estimated in this budget. It is therefore essential that the tax cuts I am proposing be considered in conjunction with these savings proposals.

My proposal to place a temporary limit on civil service and military pay increases recognizes that the Federal Government must set an example for the rest of the economy, and that Federal employees generally enjoy considerably greater job security than the average worker under current economic conditions. I believe that most Federal employees will understand that some restraint on their pay increases is appropriate now to help provide benefits and increased job opportunities for those who are unemployed.

I urge the Congress to accept this recommendation. I especially urge the private sector—labor and management alike—to follow this example and minimize price and wage increases.

I have proposed a similar temporary limit on the automatic increases in benefit programs linked to changes in consumer prices. These programs include Social Security, Railroad Retirement, Federal employee retirement and disability systems, military retired pay, Supplemental Security Income, and the food stamp and child nutrition programs. My proposal is made in the context of the very large increases that have occurred in these programs in recent years—increases well in excess of the rate of inflation. For example, between 1970 and 1975, average payments per Social Security beneficiary have increased 22% in constant prices—that is, *after* adjusting for the 38% rise in consumer prices. Both benefit increases and growth in the number of beneficiaries have contributed to an increase in outlays for these programs from \$39 billion in 1970 to an estimated \$91 billion in 1975.

With thousands of workers being laid off while considerable inflationary momentum persists, I believe that modest restraint on Federal pay raises and on the growth of Federal benefit programs is an equitable way to keep the budget from perpetuating inflation.

BUDGET TRENDS AND PRIORITIES

The Federal budget both reflects our national priorities and helps to move the Nation toward their realization. Recent years have seen a significant shift in the composition of the Federal budget. The proportion of the budget devoted to defense has declined substantially since 1964, with a corresponding increase in the nondefense proportion of the budget. This shift has been particularly rapid since 1969, due in part to the end of American combat involvement in Vietnam.

Defense outlays remained virtually level in current dollar terms from 1969 to 1974, absorbing substantial cost increases—including the pay raises necessary to establish equitable wage levels for our servicemen and women and to make possible the transition to an all-volunteer armed force. Defense programs have undergone large reductions in real terms—reductions of about 40% since 1969 in manpower and materiel. In consequence, defense outlays have been a decreasing share of our gross national product, falling from 8.9% in 1969 to 5.9% in 1976.

At the same time, Federal nondefense spending has increased substantially

in both current and constant dollar terms, growing from 11.6% of the gross national product in 1969 to an estimated 16.0% in this budget. In the process, the form that Federal spending takes has shifted dramatically away from support for direct Federal operations and toward direct benefits to individuals and grants to State and local governments. About a third of the latter also help to finance payments to individuals. Both legislated increases and built-in program growth have contributed to the doubling of outlays for domestic assistance in the past five years. The sharp drop in defense manpower and procurement has helped make this possible without tax increases or larger deficits.

It is no longer realistically possible to offset increasing costs of defense programs by further reducing military programs and strength. Therefore, this budget proposes an increase in defense outlays in current dollars that will maintain defense preparedness and preserve manpower levels in the face of rising costs. These proposals are the minimum prudent levels of defense spending consistent with providing armed forces which, in conjunction with those of our allies, will be adequate to maintain the military balance. Keeping that balance is essential to our national security and to the maintenance of peace.

In 1969, defense outlays were nearly one-fifth more than combined outlays for aid to individuals under human resource programs and for aid to State and local governments. Despite the increase in current-dollar defense outlays, this budget—only seven years later—proposes spending twice as much money for aid to individuals and State and local governments as for defense.

Outlays for assistance to individuals and to State and local governments will rise from \$140 billion in 1974 to \$173 billion in 1975, and \$190 billion in 1976. These increases include the costs of the emergency unemployment assistance measures enacted last December, together with increased outlays under the regular unemployment insurance system. Outlays for other benefit programs, including Social Security, Supplemental Security Income, Medicare, and Medicaid, will also increase substantially.

The budget carries forward a philosophy that stresses an appropriate separation of public and private sector responsibilities. Within the sphere of public sector responsibilities, it calls for Federal emphasis on meeting national problems and encourages State and local responsibility and initiative in meeting local and statewide needs. Broader Federal aid to States and localities and a reduction in the Federal restrictions imposed as requirements for this aid are key elements of this philosophy. In 1974, Federal aid supplied 21% of total State and local government receipts, more than twice the percentage of two decades earlier. My budget recommends Federal grants-in-aid of \$56 billion in 1976.

ENERGY

The fourfold increase in oil prices dictated by oil-exporting countries has been a major factor in the sharp inflationary surge of the past year and a half. It endangers the health of world trade and is creating significant financial and economic disruption throughout the world. Among other things, the resulting high fertilizer prices are hampering efforts to increase world agricultural production, thereby aggravating the world food problem.

FUEL CONSERVATION.—I continue to believe that fuel conservation and a reduction of world oil prices are in the long-term interest of both consumer and producer countries. Accordingly, I have proposed a series of stringent fuel conservation measures, including taxes on petroleum and natural gas offset by income tax reductions, payments to low-income individuals, and increased aid to State and local governments. On balance, this program will preserve consumer and business purchasing power while strongly discouraging petroleum consumption. Amendments to the Clean Air Act and other measures I have proposed will contribute to substantial improvement in automobile gasoline mileage and allow greater use of domestic coal for electric power generation, thus further reducing our need for imported oil.

At the same time, my Administration is pursuing diplomatic efforts to alleviate financial and supply problems in the industrialized world.

DEVELOPMENT OF DOMESTIC ENERGY SOURCES.—Fuel conservation measures and stronger diplomatic efforts are only part of the solution to the energy problem. Vigorous efforts to speed development of our vast domestic energy resources—particularly oil, gas, coal, and nuclear—are also essential. As part of these efforts, my Administration has worked out a comprehensive plan for leasing the offshore oil and gas resources of our Outer Continental Shelf. Studies are underway to insure that development and production will be accomplished safely and in an environmentally acceptable manner. We also seek responsible use of our extensive Naval Petroleum Reserves in California and Alaska and are taking steps to increase our use of our vast domestic coal reserves. These measures, including workable and precise legislation regulating strip mining, seek a proper balance between energy needs and environmental considerations. I will propose legislation to assist certain utilities facing serious financial difficulties and to encourage utilities to use fuels other than oil and natural gas. Increased domestic supplies, including establishment of a strategic petroleum storage system, coupled with fuel conservation, will help reduce our dependence upon petroleum imports and our vulnerability to interruption of foreign supplies.

In addition, the Federal Government has further expanded its research and development program to provide the new and improved technologies necessary for increasing the use of our domestic energy resources. Outlays for energy research and development will be \$1.7 billion in 1976, an increase of 36% over 1975 and 102% over 1974. My budget recommendations continue our vigorous nuclear research and development program and further accelerate nonnuclear energy research and development—particularly in coal and solar energy. To provide a better organizational framework for this effort, last October I signed into law an act creating the Energy Research and Development Administration, which brings together within a single agency the Government's various research and development programs relating to fossil fuels, nuclear energy, and other energy technologies such as geothermal and solar. An independent Nuclear Regulatory Commission has also been established to improve the regulatory process associated with nuclear plant licensing, safety, and nuclear materials safeguards, and to separate this function from nuclear power development activities.

AGRICULTURE.—Besides fuel costs, the cost of food has been the other special problem in the inflationary surge of the past two years. A worldwide decline in agricultural production due in part to adverse weather conditions has created shortages that have been critical in some areas and have sent world food prices soaring.

In response to these shortages, we have stimulated U.S. production by eliminating Government-imposed crop restrictions originally designed to prevent surpluses. Our increased production will help to curb inflation and will aid in relieving severe food shortages abroad. To the extent that we can produce beyond our domestic needs, we will be able to increase our agricultural exports and share our increased supplies with hungry peoples overseas.

NATIONAL SECURITY AND FOREIGN RELATIONS

The ultimate goal of American foreign policy is to ensure the freedom, security, and well-being of the United States as part of a peaceful and prosperous international community. Our diplomacy, backed by a strong national defense, strives to strengthen this international community through the peaceful resolution of international disputes, through arms control, and by fostering cooperation and mutual restraint. We seek a healthy world economy through expanded trade, cooperative solutions to energy problems, and increased world agricultural production to meet mankind's need for food. In today's interdependent

world, each of these objectives serves our own national interest even as it helps others.

NATIONAL SECURITY.—The Vladivostok understanding, which I reached with General Secretary Brezhnev of the Soviet Union, represents a major step on the long and arduous road to the control and eventual reduction of nuclear arms. For the first time, we have reached an understanding on specific and equal limitations on strategic nuclear weapons. Once we have concluded an agreement based on these understandings, we will be prepared to take the next step—to seek further reductions, as we have already done in the case of antiballistic missile launchers.

The progress we have already made along the road to eventual strategic arms reductions has been possible only because we have remained strong. If we are to make further progress, we must act to preserve our strategic strength. My defense proposals provide for necessary force improvements and for the development of strategic alternatives necessary to maintain, within the limits of the Vladivostok agreement, a credible strategic deterrent.

More attention must now be given to maintaining an adequate balance in general purpose forces. In this area we share the burden of defense with our allies. The United States has entered into negotiations between members of NATO and of the Warsaw Pact on mutual and balanced force reductions. If those negotiations are successful, some U.S. forces stationed in Europe could safely be withdrawn. For the time being, however, the United States and its allies must maintain present manpower levels and continue to strengthen conventional combat capabilities.

In an effort to increase efficiency and achieve greater combat capability with existing manpower levels, the Army has undertaken to provide 16 active combat divisions by June of 1976 with approximately the same total number of Army personnel as was authorized for 13 divisions in June of 1974. This 16-division combat force will require additional equipment, which is provided for in my budget recommendations.

Because the welfare and survival of the United States and its allies depend upon the flow of ocean-going trade and supplies, strong naval forces are required. In recent years, the number of Navy ships has decreased, primarily as a result of the retirement of many aging ships built during World War II. The savings from this action have been used to strengthen the combat capabilities of the remaining force. This budget provides for a vigorous program of new ship construction and modernization necessary to maintain the naval balance in the future.

FOREIGN RELATIONS.—In addition to maintaining a strong defense capability, the United States strives, through its diplomacy, to develop and maintain peaceful relationships among nations. Foreign assistance is both an expression of our humanitarian concern and a flexible instrument of diplomacy. Our assistance in Indochina is making an essential contribution to the security and reconstruction of the countries in that region. Additional military assistance is now necessary to enable the South Vietnamese and Cambodian Governments to defend themselves against increasing military pressure. Our assistance in the Middle East is an integral part of our diplomatic effort to continue progress toward a peaceful solution to the area's problems. An increasing portion of our economic aid program is devoted to helping developing countries improve their agricultural productivity.

Higher oil prices, widespread food shortages, inflation, and spreading recession have severely strained the fabric of international cooperation. The United States has undertaken several major diplomatic initiatives designed to help restore international economic stability. Our diplomatic efforts were instrumental in the establishment of the International Energy Agency and its program, which provides for emergency oil sharing, conservation efforts, and development of alternative energy sources. More recently, the United States proposed a \$25 billion special financing facility to assist industrialized countries in dealing with balance of payments difficulties. This new facility will supplement expanded operations of the International Monetary Fund. At the World Food Conference, in Rome, the United States proposed a number of measures to deal with the world food problem, including creation of an international system of grain reserves.

In addition, the Trade Act passed by the Congress last December will make possible a strengthening of international trade relations by enabling the United States to work with other nations toward reducing tariff and nontariff barriers to trade and improving access to supplies.

The strengthening of international trade and financial cooperation is essential if we and other nations are to cope successfully with current economic stresses. It is a prerequisite for renewed economic progress at home and abroad.

DOMESTIC ASSISTANCE

The enormous growth in recent decades of Federal programs for assistance to individuals and families, and to State and local governments, has placed heavy demands on the budget. This growth expressed the desire of a compassionate

society to provide well for its retired workers, veterans, and less fortunate members without sacrificing our proud and productive tradition of individual initiative and self-reliance. In the process, we have built a stronger partnership among the various levels of government: Federal, State, and local.

AID TO INDIVIDUALS AND TO STATE AND LOCAL GOVERNMENTS

[Dollar amounts in billions]

| Item | 1968 | 1970 | 1972 | 1974 | 1976 | Percent increase, 1968 to 1976 |
|--|-------|-------|-------|-------|-------|--------------------------------|
| Payments to individuals ¹ . . . | \$40 | \$51 | \$70 | \$94 | \$135 | 241 |
| Grants-in-aid ¹ | 19 | 24 | 36 | 46 | 56 | 199 |
| For payments to individuals | (6) | (8) | (15) | (16) | (18) | (201) |
| Other | (13) | (15) | (21) | (30) | (37) | (198) |
| Total | 58 | 75 | 106 | 140 | 190 | 227 |
| Memorandum: | | | | | | |
| All other outlays | (121) | (122) | (126) | (128) | (159) | (32) |

¹ Excludes military retired pay and grants classified in the national defense function.

HUMAN RESOURCES PROGRAMS.—The rapid growth of human resources programs in recent years has brought about many improvements in the well-being of the American people. Benefits under Social Security, Medicare, Medicaid, Supplemental Security Income, food stamps and veterans programs have increased substantially. In just seven years, cash benefits under social security programs will have risen from \$26 billion in 1969 to \$70 billion in 1976. They now reach 28 million beneficiaries. By 1976, six social security benefit increases will have occurred since 1969. Automatic cost-of-living adjustments to benefits are now provided by law. Allowing for the temporary 5% ceiling I have proposed on benefit increases between now and July 1976, the increases from 1970 through 1976 in the average recipient's social security benefits, taken together, will total 77%. This far exceeds the increases in the cost of living (51%) estimated for this period.

The Supplemental Security Income program began operation a year ago, replacing the various State public assistance programs for the aged, the blind,

and the disabled with a more uniform and equitable national system. This broad reform has provided higher benefits for these disadvantaged groups. In addition, Federal assumption of responsibility for these programs has provided significant fiscal relief to State and local governments. This budget provides for substantial increases in administrative personnel necessary to improve services to beneficiaries both of this program, and of social security.

Outlays for the food stamp program have increased from \$248 million in 1969 to an estimated \$3.6 billion in 1976. I have undertaken reforms to simplify the administration of this program and reduce costs, while providing for more equitable treatment of beneficiaries.

Over the years, the income security of our labor force has been enhanced by liberalization of benefits and coverage under our unemployment insurance system, while increased employment opportunities have been created in areas of high unemployment. Programs derived from the special unemployment assistance measures I proposed last October have been enacted into law as the Emergency Jobs and Unemployment Assistance Act and the Emergency Unemployment Compensation Act. With these new acts, total unemployment assistance, including employment programs, will expand 207%, from \$6.1 billion in 1974 to \$18.8 billion in 1976.

Our present welfare system is inefficient and inequitable. It is wasteful not only of tax dollars but, more importantly, of human potential. Left unchanged, over the long run the situation will almost surely continue to deteriorate. I urge the Congress to work with my Administration to develop reforms that make the system simple, fair, and compassionate. This approach need not cost more, but rather can use our welfare dollars more effectively.

America needs to improve the way it pays for medical care. We should begin plans for a comprehensive national health insurance system. However, in view of the economic developments and the measures I have proposed to combat recession and inflation, I cannot now propose costly new programs. Once our current economic problems are behind us, the development of an adequate national medical insurance system should have high national priority. I urge the Congress to work with my Administration in order to devise a system that we will be able to afford.

The major existing Federal programs for financing medical care, Medicare and Medicaid, are now 10 years old. Medicare outlays of \$15 billion in 1976 will help to meet the medical costs of an estimated 13.3 million aged and disabled Americans, 29% more people than were aided in 1971. Medicaid outlays of \$7.2 billion will help to pay medical care for 26 million low-income Americans in

1976—a 40% increase in beneficiaries since 1971. Federal health programs also provide health care and insurance for Federal employees, veterans, and other groups. In total, existing Federal health programs now pay about 27% of the Nation's total health bill.

GENERAL REVENUE SHARING.—General Revenue Sharing has become an integral and important part of the Federal grants-in-aid system. This program has been highly successful, providing fiscal assistance that can be applied flexibly to meet the needs of States and localities according to their priorities. It has distributed assistance more equitably than before, reaching many local governments that had not received Federal aid in the past.

Current authority for general revenue sharing will expire at the end of calendar year 1976. Because I believe in the soundness of this program, I shall propose legislation extending general revenue sharing through fiscal year 1982. Prompt action by the Congress on the proposed extension will permit State and local governments to plan their future budgets more effectively and avoid the waste and inefficiencies that prolonged budgetary uncertainties would create. In addition, the energy tax equalization payments to State and local governments will be distributed according to the formula used for general revenue sharing.

TRANSPORTATION.—My budget recommendations anticipate legislation that I shall propose to extend the Highway Trust Fund through 1980 for the Interstate Highway System only, and increase its funding. My proposal will focus trust fund assistance on completion of key segments of the Interstate Highway System needed to link the national system together. They will also combine a number of narrow categorical grant programs to eliminate red tape and allow localities greater flexibility in meeting their transportation problems. In 1978, States will be permitted, under this proposal, to assume over \$1 billion of Federal motor fuel tax receipts for local needs.

In order to improve the safety and efficiency of the Nation's aviation system, and to increase its responsiveness to current needs, I will propose legislation to restructure Federal airport and airway development programs. My proposal will broaden the range of aviation activities that may be financed from the Airport and Airway Trust Fund, eliminate unnecessary Federal involvement in airport investment decisions, and allocate user fees more equitably among aviation system users.

BUDGET REFORM

As demands on the budget have grown, the need for better congressional procedures for considering the budget has become increasingly clear. In the past the

Congress has acted upon the budget in a piecemeal fashion, with far too little attention to the total. The Congressional Budget and Impoundment Control Act, passed last summer, mandates changes in the Federal budget and major reforms in congressional procedures for dealing with it. Under the new procedures, the Congress will have a larger and better-defined role in developing sound budget and fiscal policies. Congressional organization and procedures will focus greater attention on the budget totals early in the legislative process.

Major provisions of the act require greater attention to the future-year costs of legislative proposals and ongoing programs, and establish a budget committee in each Chamber and a Congressional Budget Office to aid Congress in its consideration of budget recommendations. The shift of the fiscal year to an October-to-September basis will give the Congress more time to complete action on the budget before the fiscal year begins.

The act also provides for a closer working relationship between the Congress and the executive branch in controlling outlays. I look forward to a new era of fruitful cooperation between the legislative and executive branches on budgetary matters, a cooperation that will enhance fiscal responsibility, make the budget a more useful instrument of national policy, and promote a more careful allocation of limited resources.

During the past six years, the budget has become increasingly forward-looking, focusing attention on the future effects of budget proposals. The new act builds upon this initiative with the requirement that the budget present more extensive five-year projections of outlays and receipts. These projections indicate the large natural increase in receipts resulting from rising incomes and profits as the economy recovers. These increased receipts, coupled with *prudent fiscal restraint*, will make it possible to avoid deficits that would be inflationary when the economy returns to high employment.

The Government strongly affects the economy in many ways not fully reflected in the budget. These influences include tax expenditures such as those that encourage homeownership and business investment; and the operations of Federal or Government-sponsored enterprises, particularly in the credit field, that are excluded from the budget. The new act recognizes the importance of these factors by requiring that they be given greater consideration in connection with the budget.

CONCLUSION

As we approach our national bicentennial, difficult challenges lie before us. The recommendations in this budget address the Nation's problems in a direct,

constructive, and responsible fashion. They are designed to move the Nation toward economic health and stability. They meet human needs. They provide for the strong defense essential to our national security and to our continuing efforts to maintain world peace.

Looking beyond the bicentennial, toward the year 2000, the practical limits to the growth of the Federal Government's role in our society become increasingly clear. The tremendous growth of our domestic assistance programs in recent years has, on the whole, been commendable. Much of the burden of aiding the elderly and the needy has been shifted from private individuals and institutions to society as a whole, as the Federal Government's income transfer programs have expanded their coverage.

These programs cannot, however, continue to expand at the rates they have experienced over the past two decades. Spending by all levels of government now makes up a third of our national output. Were the growth of domestic assistance programs to continue for the next two decades at the same rates as in the past 20 years, total government spending would grow to more than half of our national output. We cannot permit this to occur. Taxation of individuals and businesses to pay for such expansion would simply become insupportably heavy. This is not a matter of conservative or liberal ideology. It is hard fact, easily demonstrated by simple extrapolation. We must begin to limit the rate of growth of our budgetary commitments in the domestic assistance area to sustainable levels.

The growth of these domestic assistance programs has taken place in a largely unplanned, piecemeal fashion. This has resulted in too many overlapping programs, lack of coordination, and inequities. Some of the less needy now receive a disproportionate share of Federal benefits, while some who are more needy receive less. We must redouble the efforts of the past five years to rationalize and streamline these programs. This means working toward a stable and integrated system of programs that reflects the conscience of a compassionate society but avoids a growing preponderance of the public sector over the private. It also means decentralizing Government operations and developing a closer partnership among the Federal Government, State and local governments, and the individual private citizen.

The Congress will approach this budget in a new way, with new legislative machinery and procedures. I pledge to work in a spirit of cooperation with the Congress to make this effort a success. The tasks before us provide difficult tests: to meet immediate economic problems; to relate our limited Federal resources more clearly to current national priorities; and to develop long-term strategies

for meeting Federal responsibilities as we begin our third century. I am confident of success.

GERALD R. FORD

February 3, 1975.

NOTE: The President's message is printed in the report entitled "The Budget of the U.S. Government, Fiscal Year 1976" (Government Printing Office, 384 pp. plus appendix). The message contains illustrative diagrams which have not been reproduced in this volume.

65

Memorandum on Occupational Safety and Health Programs for Federal Employees. *February 3, 1975*

Memorandum to the Heads of Executive Departments and Agencies

I have issued this Executive Order [11807 of September 28, 1974] to strengthen the occupational safety and health programs of all Federal agencies. It sets forth specific duties for the heads of Federal agencies to establish and maintain effective occupational safety and health programs in these agencies. It also authorizes the Secretary of Labor to assist in those duties and to issue guidelines tailored to individual agency needs.

As the Nation's largest employer, the Federal Government must set an example in the maintenance of safe and healthful working conditions for its employees. The Federal Government has reduced the rate of workplace injuries since 1965, but we cannot be satisfied as long as any avoidable accidents or illnesses occur.

The purpose of the Occupational Safety and Health Act of 1970 is to assure safe and healthful working conditions for all workers in the Nation. That Act contains special provisions to afford protection to Federal employees. It assigns responsibility to the head of each Federal agency to maintain an effective and comprehensive program consistent with the standards issued by the Secretary of Labor for private employees.

The issuance of this Executive Order and the attached guidelines of the Secretary of Labor, together with forthcoming actions by the Office of Management and Budget to promote agency awareness of the budgetary aspects of this program, should aid in your efforts to provide safe and healthful working conditions for the employees of your department or agency. Only your personal attention can ultimately achieve the goals we desire. The Secretary of Labor stands ready to assist you in your efforts. I look forward to receiving the evalu-

ations of the Secretary of Labor regarding your achievements under the new Executive Order and the guidelines issued by the Secretary.

GERALD R. FORD

NOTE: The guidelines of the Secretary of Labor are printed in the Federal Register of October 9, 1974 (39 FR 36454).

66

Message on the Observance of the Chinese New Year.

February 3, 1975

ON THE occasion of the Chinese New Year, Mrs. Ford and I extend our very best wishes to our fellow citizens of Chinese ancestry. We welcome this opportunity to give recognition of the many ways in which Chinese Americans enrich our way of life.

This occasion focuses on your achievements and provides your fellow citizens with a better appreciation for the vast cultural traditions which the Chinese people have given to mankind.

May the Year of the Hare bring each of you happiness and fulfillment, and may it also bring greater prosperity and progress to our nation.

GERALD R. FORD

67

Message on the Observance of Black History Week.

February 3, 1975

IT IS most appropriate that Americans set aside a week to recognize the important contribution made to our nation's life and culture by our black citizens.

With the growth of the civil rights movement has come a healthy awareness on the part of all of us of achievements that have too long been obscured and unsung. Emphasis on these achievements in our schools and colleges and in daily community life places in timely perspective the benefits of working together as brothers and sisters regardless of race, religion or national origin for the general well-being of all our society.

In this spirit, I urge my fellow citizens to be mindful of the valuable message conveyed to us during the celebration of this week.

GERALD R. FORD

NOTE: Black History Week, sponsored by the Association for the Study of Afro-American Life and History, was observed February 9–15, 1975.

68

Remarks Upon Signing the Economic Report for 1975.

February 3, 1975

THIS IS the morning of good news. Let me thank everybody for joining with me today for the signing of the Economic Report of the President, which goes to the Congress with the report of the Council of Economic Advisers.

Neither the report of the Chairman, Alan Greenspan, nor my own is very light reading. Yet, they both come to grips with the problems of recession, inflation, and our need [to adjust] to scarcer and less accessible energy supplies.

The remedies proposed for these new problems are not easy. They require our country to take a new direction. They require prompt action by the Congress. And from all Americans, we must ask for a perseverance and a willingness to tolerate some very painful measures to regain good economic health.

The budget which I sent to the Congress today includes a number of underlying economic projections, including estimates of the changes which we expect in the prices and in the economy. The Council of Economic Advisers will go more fully into the details of these projections at a press briefing tomorrow.

The projections are presented as averages for the entire year in the budget. What they do not show is that we will have turned the economy in a new and more favorable direction well before the end of this year.

We expect an increase in total production between mid-1975 and the end of 1976 in excess of a 5-percent annual rate. This will add some 2 million workers to the Nation's payroll over this period, so that unemployment—though still high—will be going down.

We estimate a rate of inflation between December of 1974 and December of 1975 of a little more than 9 percent. A little less than two percentage points of this will be due to higher energy costs, much of which will be rebated to the economy in the form of tax cuts. We expect price increases of slightly more than 7 percent during 1976.

While these projected figures present no rosy picture, they forecast the real improvement we expect in the coming months.

Light reading or not, these two reports provide the underpinnings for both the budget and for the policies which I have proposed to deal with our problems

squarely. You will find no attempt to evade the plain truth in either document. The figures used are honest and conservative, and we hope to do better than the forecasts.

Some of our current problems have been growing for years. I have asked the Congress to join with me in establishing a new direction for our economy, not in parceling out blame. I repeat the request, this time with an even greater urgency. If we fail to act jointly, there will be blame enough for everyone among us.

Thank all of you for the fine work that you did on the preparation of the report. And I think we can promise everybody next year will be better, won't it?

[At this point, the President signed the report, which was to be transmitted to the Congress on the following day.]

Well, thank you very much.

NOTE: The President spoke at 12:17 p.m. at a ceremony in the Cabinet Room at the White House attended by members and staff of the Council of

Economic Advisers.

For the text of the Economic Report, see Item 70.

69

Remarks at the White House Conference on Domestic and Economic Affairs in Atlanta, Georgia. February 3, 1975

Bill Baroody, Governor Busbee, Senator Talmadge, Mayor Jackson, distinguished Members of the House of Representatives, public officials, ladies and gentlemen:

It is really a privilege and a pleasure to be in Atlanta, and I hope and trust that this conference, this White House Conference, has been beneficial not only to those of us in Government but to you in local government and those of you in labor, management, and the professions.

Before I begin, I want Mayor Maynard Jackson to know that I have come to your great city of Atlanta with both good news and bad news. The good news is the entire world is talking about the "Big M's" stunning first round k.o. of Muhammad Ali.¹ The bad news is Muhammad Ali wants a rematch. [Laughter] No, I am only kidding, Mr. Mayor. I knew you could handle yourself when I saw those trunks you were wearing. I figured anyone who goes around in pants like that better know how to fight. [Laughter]

As I said at the outset, it is a real pleasure to attend this year's first White House

¹ The President was referring to a mock boxing match between Mayor Jackson and world heavyweight boxing champion Muhammad Ali held the previous week as part of Black Atlanta Week celebrations.

Conference on Domestic and Economic Affairs. I know that you have had a very eventful, productive day, so I will not try to repeat the points that other speakers have already made. But I would like to stress one thing about these conferences—their diversity.

Here in Atlanta, for example, as Bill Baroody indicated, some 15 different Georgia organizations have participated—organizations representing the whole spectrum of labor, business, agriculture, civic activities.

This being the second such conference that I have attended—one in Portland, Oregon,² and one here—I know that this diversity is important for two basic reasons. In the first place, it gives me and other Washington officials who participate—such as Jim Lynn, Cap Weinberger, Bill Seidman, Bill Baroody, Frank Zarb, Tom Kleppe, Mike Duval—a real opportunity to discuss the pressing national issues with the people who are affected by them at the grassroots, and thereby, it improves the communication between national and local leadership. And it is my complete and total judgment that only in this way, together, can we generate the kind of mutual confidence and the kind of mutual trust that we will need to turn our economy around and start America back on the road to recovery.

Secondly, this varied, representative group is kind of a mini-America, since most of the participants here can agree on the broad problems, the broad challenges that we face individually and collectively—not necessarily on the details of solution, but on the general thrust. Then, I think, there is good reason to hope for broad national agreement on the solutions as well.

And that is what I would like to discuss with you, some of the shared concerns, the shared ideas that are beginning to emerge from the new and vigorous national dialog on energy and on the economy. For me, they represent the common interests that will unite us into action in the crucial days ahead.

Since my television address to the Nation and my State of the Union Message to the Congress 2 weeks ago, I believe that this process of uniting our people in the face of clear challenges has made substantial headway. I see a broad, national consensus forming in at least five major problem areas: recession, tax relief and reform, jobs and productivity, energy, and last but not least, inflation.

Today, for the first time since the energy crisis began and recession became a major concern, most Americans are not only solidly agreed on the problem that we must solve but they are agreed that solutions must be forthcoming soon.

To start us on the road to economic recovery, most of us, for example, now

² See 1974 volume, Item 214.

agree that our first order of national business must be an immediate tax relief to help American consumers wage their own personal battles against recession. And I think that most of us also agree that the 50 million hard-hit, middle-income Americans, as well as some 5 million low-income Americans, deserve a fair tax break.

Quite frankly, I am referring to farmers, teachers, reporters, editors, secretaries, salespeople, truckdrivers, policemen, firemen, and other hard-working, middle-income Americans who have carried the bulk of this country's tax burden.

I think it is encouraging to see that labor, business, and the general public respond so well to the problems of this recession and are joining in the effort to solve them.

Quite frankly, I have been very impressed by the many excellent examples of voluntary actions taken to fight the problems of the recession. In a number of cases, workers in financially pressed plants, financially pressed businesses have agreed to share shorter working hours to prevent layoffs. This has happened, for example, in the garment industry in Los Angeles and in the newspaper business in Washington, D.C., and there are other examples around the country.

I commend these enlightened efforts, for they are in the best American tradition. To me, it is very reassuring that our people are still willing to pull together and share hardships in difficult times.

Let me cite another example. As further evidence of the broad-gauged national unity on this problem, many leaders of major national labor organizations, including labor members of the President's united Labor-Management Advisory Board, have strongly supported the need for an improved investment tax credit for American business as well as tax relief for the American worker.

It is this broad approach that I think will restore confidence and bring about success in meeting the challenge of our current recession. Now, just as personal income tax rebates totaling some \$12 billion will put more money back into the economy, so the \$4 billion tax benefit that I have proposed for business and agriculture will provide more capital to create more jobs and greater productivity.

There have been many recessions in our Nation's history. In fact, in my 26 years in Washington, the Nation has undergone at least five recessions, and we have survived each one of them. We will come through this one as well.

But the energy crisis is something new and something very, very different.

After so many years of energy abundance, many Americans find it very, very hard to understand why we must suddenly take strong measures, measures that are especially difficult during a recession to make sure, to make positive that we have energy to meet our day-to-day needs.

The answer is simple: We have no choice. The hard decisions have been postponed far too long. We must act now and, as I see it, here is why: Unless Congress enacts a comprehensive energy policy such as I have proposed, or some equally comprehensive alternative, by 1977 we will be importing at least 25 percent more foreign oil than we are at the present time; by 1985, we will be dependent on foreign sources for more than half of our oil needs.

Let me put some figures in perspective for you. In 1973, we were importing roughly 6 million barrels per day. We were depending upon about 10 million barrels per day out of domestic production.

Despite a voluntary effort at conservation today, we are importing a little over 7 million barrels per day, primarily because our domestic production is declining. And may I add, parenthetically, that if we had not had a voluntary method of conservation or a program of voluntary conservation, we would have been importing much more.

The facts of life are, in the United States, that our domestic oil production is declining, and it will continue to decline. And let me give you some other figures that I think put this in perspective.

In 1970, the United States was paying for foreign oil about \$3 billion a year. In 1974, we paid for foreign oil \$24 billion. In 4 years, from \$3 billion a year to \$24 billion a year! And if we do not do something about conservation as quickly as possible, by 1977 we will be paying \$32 billion a year! We cannot afford it. We cannot sit idly by and continue to be as vulnerable as we are and, as more, so we will be.

I don't like to paint a serious picture, but the facts are there. Our vulnerability is getting worse every day to foreign sources of oil, and that crisis requires that we act and act promptly.

And now let me add a few comments to that heartening picture. At the time of the 1973-74 oil embargo—just to put it in another context—we were dependent on foreign sources for a little more than a third of our total oil consumption. A serious disruption, which that embargo caused to our economy, is minor, very minor, compared to what will happen if we fail to start right now toward energy independence.

We can achieve this independence by 1985 under the program that I have submitted to the Congress, a program which encourages energy conservation

as well as a fuller development of our own energy resources right here at home. The Presidential proclamation [4341] which I signed to raise the tax on imported oil is a start in the direction of conservation. And I think it has also helped to move the Congress to affirmative action.

Yes, I concede there can be honest differences on the details. But I am convinced that if I had not taken this action in the first place, there would be no real movement in the Congress at this time toward the hard and very critical decisions which are vital to our long-range survival.

Today, this is no longer true. Across America, as well as on Capitol Hill, there is a growing national consensus on the critical nature of the energy problems and on a willingness to accept hardships to solve them. I think this, in and of itself, is a giant step forward, and if I might, let me give you the three basic fundamental things that I tried to do in the submission of a comprehensive plan to the Congress.

Number one, supply. What we are trying to do is stimulate more energy development in the United States so that instead of a decreasing capability, we have an increasing domestic capability to meet the problem of energy. We are not only going to stimulate more exploration and development of domestic crude oil but we are going to try and utilize to a greater degree the vast coal reserves that exist in America.

We have increased, for example, in the budget that I submitted today to the Congress, research and development on energy from \$1.6 billion in the current fiscal year to \$2.2 billion in the next fiscal year. And if you will compare it to a year ago, when the total energy research and development was about \$700-\$800 million, in the next fiscal year with the concurrence of Congress, we will spend \$2.2 billion on solar, geothermal, et cetera, so that we can be less vulnerable to foreign nation actions as to the availability of our supply of energy.

Conservation, the second point. I think it is important that we save a million barrels of foreign oil a day this year and 2 million barrels by 1977. It is attainable; it is mandatory that we achieve that result. And with the program that I have recommended, which I hope the Congress will approve, we can save that much in foreign oil imports.

Equity, the third point. Yes, it is true that we will have some higher energy costs. But the truth is that we will return in tax rebates or tax reductions the money that is collected because of higher energy costs.

State and local units of government, Governor, and Mayor Jackson, will get back \$2 billion this year because of higher energy costs under the general revenue sharing formula. Individual taxpayers will get back \$19.5 billion because of the

higher energy costs to the individual taxpayer. Business will get back \$6 billion because of higher energy costs to them; those rebates will come in a reduction in the corporate income tax from 48 to 42 percent. The individual taxpayer will get his refund or rebate by a change in the withholding schedules. The individual who pays no taxes will get an individual check written to him or to her on the Treasury of the United States. The Federal Government, whose energy costs will go up about \$3 billion, will keep that in the till, and Bill Simon needs it.

But the point is that we will seek equity so that nobody—government, business, individual taxpayers—will suffer. There will be an equalization of the burden.

The last point, security. If this program is adopted, the United States, every day, will get more certain of its invulnerability. It will be more certain of its international security.

And so I plead with you to work with your Members of the House and Senate to get some action. We have diddled and dawdled too long. We are not going to fiddle while our energy burns. So, let's get moving.

Another example, I think, of newly forming national consensus is the growing public awareness of the danger of inflation and, linked to it, the need to exert some sort of brake on runaway Government spending. Putting it another way, for a long, long time we have been deferring payments on some of our bills, and we now have a whopper that is due.

As you may know, I sent to the Congress before leaving Washington today—maybe it is a good thing I am out of town—a proposed budget of \$349.4 billion in expenditures for the fiscal year that begins July 1 of this year. The projected deficit for fiscal year 1976 will be \$52 billion, a figure which would have horrified me as a Member of Congress and horrifies me as your President. That is \$1 billion-a-day deficit—\$1 billion a week, I mean, not a day. It is bad enough a week.

Well, for my part, I renew my offer to work with the 94th Congress to reach mutually acceptable energy and economic programs. I have offered to them and to the American people a plan. If the Congress will come forward with one of its own—a full, comprehensive program, not just a series of individual criticisms or conflicting pieces of legislation—I am sure that we can iron out our differences.

We have already been apart too long, and the American people I don't think are going to wait forever. I think it is time to launch America on a new course, a recovery course. I have done and will continue to do everything I can to move with the Congress to achieve this vital objective.

We can—and I happen to think we will—solve our problems. There are

already many encouraging signs that public confidence is rallying. I urge the Congress to join with the President in this new public confidence. Quick action on the programs I have proposed would do more than anything else to help assure the rapid economic turnaround that all of us seek.

I am delighted to have the opportunity of being here with you today. I hope that each one of you, whatever your differences on some of the specifics of the program that has been proposed, will come out of this conference united in your resolve to come to grips with our common problems and, most importantly, to speak out for action.

Although I have submitted a plan, the United States still does not yet have a program. This will require action by the Congress and support by the American people. I am confident—as we look at the problem and look at the dangers and see what has to be done between the Congress, the American people, and the President—we can solve the problem.

Thank you very, very much.

NOTE: The President spoke at 5:04 p.m. in the Phoenix Room at the Hyatt Regency Hotel. He was introduced by William J. Baroody, Jr., Assistant to the President for Public Liaison.

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Annual Message to the Congress: The Economic Report of the President. *February 4, 1975*

To the Congress of the United States:

The economy is in a severe recession. Unemployment is too high and will rise higher. The rate of inflation is also too high although some progress has been made in lowering it. Interest rates have fallen from the exceptional peaks reached in the summer of 1974, but they reflect the rate of inflation and remain much too high.

Moreover, even as we seek solutions to these problems, we must also seek solutions to our energy problem. We must embark upon effective programs to conserve energy and develop new sources if we are to reduce the proportion of our oil imported from unreliable sources. Failure or delay in this endeavor will mean a continued increase in this Nation's dependence on foreign sources of oil.

We therefore confront three problems: the immediate problem of recession and unemployment, the continuing problem of inflation, and the newer problem of reducing America's vulnerability to oil embargoes.

These problems are as urgent as they are important. The solutions we have

proposed are the result of careful study, but they will not produce swift and immediate results. I believe that these programs and proposals will be effective. I urge the Congress to adopt them and to help me follow through with further measures that changing circumstances may make desirable. In our efforts we must recognize that the remedies we devise must be both effective and consistent with the long-term objectives that are important for the future well-being of our economy. For the sake of taking one step forward we must not adopt policies which will eventually carry us two steps backward.

As I proposed to you in my State of the Union message, the economy needs an immediate 1-year tax cut of \$16 billion. This is an essential first move in any program to restore purchasing power, rebuild the confidence of consumers, and increase investment incentives for business.

Several different proposals to reduce individual taxes were considered carefully in our search for the best way to help the economy. We chose the method that would best provide immediate stimulus to the economy without permanently exacerbating our budget problem. Accordingly, I recommend a 12 percent rebate of 1974 taxes, up to a maximum of \$1,000. The rebate will be paid in two large lump-sum payments totaling \$12 billion, the first beginning in May and the second by September.

I have also proposed a \$4-billion investment tax credit which would encourage businessmen to make new commitments and expenditures now on projects that can be put in place this year or by the end of next year.

The prompt enactment of the \$16-billion tax reduction is a matter of utmost urgency if we are to bolster the natural forces of economic recovery. But in recognizing the need for a temporary tax cut, I am not unmindful of the fact that it will increase the size of the budget deficit. This is all the more reason to intensify our efforts to restrain the growth in Federal spending. I have asked Congress to institute actions which will pare \$17 billion from the fiscal 1976 budget. Even so, we foresee a deficit of more than \$50 billion for the fiscal year beginning July 1. Moreover, even without new expenditure initiatives, the budget deficit is likely to remain excessively large in fiscal 1977. As a consequence, I will propose no new expenditure programs except those required by the energy program.

I am also asking the Congress to join me in finding additional ways to slow the rate of increase in Federal spending. Budget outlays for new programs or for expansion of existing ones would have their economic effect long after the economic recovery gets under way. It is essential that the deficit be reduced markedly as the economy begins to return toward full employment. Control of

expenditures is the only way we can halt an extraordinary increase in the portion of our incomes which Government will take in the future.

A simple calculation shows the size of the problem which we face. Transfer payments to individuals by the Federal Government have increased, after adjustment for inflation, by almost 9 percent annually during the past two decades. A continuation of this trend for the next two decades, along with only modest increases in other Federal expenditures and in those of State and local governments, would lift the expenditures by government at all levels from about one-third of the gross national product to more than one-half. Spending on this scale would require a substantial increase in the tax burden on the average American family. This could easily stifle the incentive and enterprise which is essential to continued improvements in productivity and in our standard of living.

The achievement of our independence in energy will be neither quick nor easy. No matter what programs are adopted, perseverance by the American people and a willingness to accept inconvenience will be required in order to reach this important goal. The American economy was built on the basis of low-cost energy. The design of our industrial plants and production processes reflect this central element in the American experience. Cheap energy freed the architects of our office buildings from the need to plan for energy efficiency. It made private homes cheaper because expensive insulation was not required when energy was more abundant. Cheap energy also made suburban life accessible to more citizens, and it has given the mobility of the automobile to rural and city dwellers alike.

The low cost of energy during most of the twentieth century was made possible by abundant resources of domestic oil, natural gas, and coal. This era has now come to an end. We have held the price of natural gas below the levels required to encourage investment in exploration and development of new supplies, and below the price which would have encouraged more careful use. By taking advantage of relatively inexpensive foreign supplies of oil, we improved the quality of life for Americans and saved our own oil for future use. By neglecting to prepare for the possibility of import disruptions, however, we left ourselves overly dependent upon unreliable foreign supplies.

Present circumstances and the future security of the American economy leave no choice but to adjust to a higher relative price of energy products. We have, in fact, already begun to do so, although I emphasize that there is a long way to go. Consumers have already become more conscious of energy efficiency in their purchases. The higher cost of energy has already induced industry to save energy

by introducing new production techniques and by investing in energy-conserving capital equipment. These efforts must be stimulated and maintained until our consumption patterns and our industrial structure adjust to the new relationship between the costs of energy, labor, and capital.

This process of adjustment has been slowed because U.S. energy costs have not been allowed to increase at an appropriate rate. Prices of about two-thirds of our domestic crude oil are still being held at less than half the cost of imported oil, and natural gas prices are being held at even lower levels. Such artificially low prices encourage the wasteful use of energy and inhibit future production. If there is no change in our pricing policy for domestic energy and in our consumption habits, by 1985 one-half of our oil will have to be imported, much of it from unreliable sources. Since our economy depends so heavily on energy, it is imperative that we make ourselves less vulnerable to supply cutoffs and the monopolistic pricing of some foreign oil producers.

The need for reliable energy supplies for our economy is the foundation of my proposed energy program. The principal purpose is to permit and encourage our economy to adjust its consumption of energy to the new realities of the market place during the last part of the twentieth century. The reduction in our dependence on unreliable sources of oil will require Government action, but even in this vital area the role of Government in economic life should be limited to those functions that it can perform better than the private sector.

There are two courses open to us in resolving our energy problem: the first is administered rationing and allocation; the second is use of the price mechanism. An energy rationing program might be acceptable for a brief period, but an effective program will require us to hold down consumption for an extended period. A rationing program for a period of 5 years or more would be both intolerable and ineffective. The costs in slower decision making alone would be enormous. Rationing would mean that every new company would have to petition the Government for a license to purchase or sell fuel. It would mean that any new plant expansion or any new industrial process would require approval. It would mean similar restrictions on homebuilders, who already find it impossible in much of the Nation to obtain natural gas hookups. After 5 or 10 years such a rigid program would surely sap the vitality of the American economy by substituting bureaucratic decisions for those of the market place. It would be impossible to devise a fair long-term rationing system. The only practical and effective way to achieve energy independence, therefore, is by allowing prices of oil and gas to move higher—high enough to discourage consumption and encourage the exploration and development of new energy sources.

I have, therefore, recommended an excise tax on domestic crude oil and natural gas and an import fee on imported oil, as well as decontrol of the price of crude oil. These actions will raise the price of all energy-intensive products and reduce oil consumption and imports. I have requested the Congress to enact a tax on producers of domestic crude oil to prevent windfall profits as a result of price decontrol.

Other aspects of my program will provide assurances that imports will not be allowed to disrupt the domestic energy market. Amendments to the Clean Air Act to allow more use of coal without major environmental damage, and incentives to speed the development of nuclear energy and synthetic fuels will simultaneously increase domestic energy production.

Taken as a whole, the energy package will reduce the damage from any future import disruption to manageable proportions. The energy program however will entail costs. The import fee and tax combination will raise approximately \$30 billion from energy consumers. However, I have also proposed a fair and equitable program of permanent tax reductions to compensate consumers for these higher costs. These will include income tax reductions of \$16 billion for individuals, along with direct rebates of \$2 billion to low-income citizens who pay little or no taxes, corporate tax reductions of \$6 billion, a \$2-billion increase in revenue sharing payments to State and local governments, and a \$3-billion increase in Federal expenditures.

Although appropriate fiscal and energy policies are central to restoring the balance of our economy, they will be supplemented by initiatives in a number of other areas. I was pleased to sign into law in December unemployment compensation legislation which provides extended benefits and expanded coverage for the unemployed. The budget also provides for a significant expansion in public service employment. I also urge the Congress to remove the remaining restrictions on agricultural production and enact legislation to strengthen financial institutions and assist the financial position of corporations. I have also asked for actions to strengthen the Administration's antitrust investigative power and to permit more competition in the transportation industry.

We sometimes discover when we seek to accomplish several objectives simultaneously that the goals are not always completely compatible. Action to achieve one goal sometimes works to the detriment of another. I recognize that the \$16-billion anti-recession tax cut, which adds to an already large Federal deficit, might delay achieving price stability. But a prompt tax cut is essential. My program will raise the price of energy to consumers; but when completed this

necessary adjustment should not hamper our progress toward the goal of a much slower rate of increase in the general price level in the years ahead.

As we face our short-term problems, we cannot afford to ignore the future implications of our policy initiatives. Fiscal and monetary policies must support the economy during 1975. In supporting the economy, however, we must not allow victory in the battle against inflation to slip beyond our grasp. It is vital that we look beyond the unemployment problem to the need to achieve a reduction in inflation not only in 1975 but also in 1976 and beyond.

The future economic well-being of our Nation requires restoring a greater measure of price stability. This will call for more responsible policies by your Government. The stakes are high. Inflation reduces the purchasing power of our incomes, squeezes profits, and distorts our capital markets. The ability of our free economy to provide an ever higher standard of living would be weakened. We must not be lulled into a belief that inflation need no longer be a major concern of economic policy now that the rate at which prices are increasing appears to be slowing.

The proposals I have made to deal with the problems of recession, inflation, and energy recognize that the American economy is more and more a part of the world economy. What we do affects the economies of other nations, and what happens abroad affects our economy. Close communication, coordination of policies, and consultations with the leaders of other nations will be essential as we deal with our economic and financial difficulties, many of which are common to all the industrial countries of the Western World.

We are already cooperating to ensure that the international monetary system withstands the pressures placed on it by higher oil prices. The passage of the Trade Reform Act of 1974 will make it possible to begin critical negotiations this year on further liberalizing the international trading system, and we will continue to work with other countries toward solutions to the special problems of food and energy.

The economic problems that have emerged during the 1970's are difficult. Some of them reflect years of misdirection. Our efforts to solve the Nation's economic difficulties must be directed toward solutions that will not give rise to even bigger problems later. The year 1975 must be the one in which we face our economic problems and start the course toward real solutions.

GERALD R. FORD

February 4, 1975.

NOTE: The President's message, together with the Annual Report of the Council of Economic Advisers, is printed in the "Economic Report of the

President, Transmitted to the Congress February 1975" (Government Printing Office, 359 pp.).

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Remarks in Atlanta at the Annual Convention of the Opportunities Industrialization Centers of America.

February 4, 1975

Dr. and Mrs. Sullivan, Senator Talmadge, my former colleagues in the House of Representatives, Governor Busbee, Mayor Jackson, other distinguished public officials, Mr. Ambassadors, OIC workers and executives:

It is a great privilege and a very high honor to have the opportunity of participating in this very wonderful occasion today, and I thank you for the warm and friendly welcome.

I do thank you, Dr. Sullivan, for inviting me to this convention, primarily because I admire the job that the Opportunities Industrialization Centers are doing in training disadvantaged Americans so they can acquire the absolutely essential needed skills. Last year, as Dr. Sullivan indicated, I visited Reverend Sullivan's Philadelphia for a firsthand look at the Pioneer Center. I came away encouraged by what I saw, inspired by Leon Sullivan's enthusiasm and, I must add, exhausted by trying to follow him up stairs three steps at a time. And I will add, parenthetically, I got a fairly good lobbying job last year. But I must say, in 1975 he has become more subtle. [*Laughter*]

You all know the success of OIC can be attributed to the personal attention given to the social and economic problems of the untrained worker and the high degree of local involvement. It is encouraging, extremely encouraging to me to see businessmen from the largest corporations to the small neighborhood store working in local communities to help solve local problems. And I know precisely and very emphatically the job that was done in my hometown of Grand Rapids, Michigan—and incidentally, our mayor, Lyman Parks, is one of the 140 black mayors in the United States.

The emphasis on training skills needed in local areas has always been a part of OIC, and that emphasis is more important today than ever in the history of our country. In moving beyond the original goal of helping urban blacks, OIC has wisely and very properly reached into the lives of Mexican-Americans, Indians, and whites. OIC's creed, "We help ourselves," is not just for the disadvantaged American trying to improve his life, but for all of us.

Taking a page from Dr. Sullivan, I have outlined an economic and energy program to the Nation and to the Congress to allow us, all of us 213 million Americans, to help ourselves out of our current difficulties. My plan, like all self-help, requires some sacrifice. It requires some energy, some time, and some dedication. And those are hallmarks in the creed of an OIC.

For one thing, we will be called upon to pay more for energy for a long time to come until we in this country can produce enough energy for our needs at home. Now, some critics of what I have recommended to the Congress and to the American people suggest it is possible to solve our problems without making serious demands on all of the American people. Some of the critics have picked out one out of a series of interconnected problems and offered a seemingly popular solution to meet that particular piece of the difficulty.

I might say, this is like looking at a 3-hour test or a 3-hour examination and picking one question to give an answer. You know, it is always a good way to flunk a test. As I looked back on my academic efforts, you cannot get a passing grade in an examination by just answering one of 50 questions. You have to answer all 50 and do the best you can.

It is my strong feeling and conviction that what I have recommended to improve our economy and to solve our energy program—it tackles all of the questions and offers answers that I am convinced will work. Now, all answers, we well know, are not easy or politically appealing, but they meet the problems head-on. To those who question the decision to work on the energy problem at a time when the Nation faces both inflation and recession, I respectfully say this: The energy problem will not wait; besides, it is a big part of our economic problem.

For the past decade, there has been talk and more talk and more talk about the dangers of our increasing dependence on foreign oil. During the embargo, we found out how real that particular danger was, and still no hard choices were made. It is my sincere conviction that we must reduce our foreign oil consumption. We must encourage domestic production. We must speed up the use of other energy sources such as coal and nuclear and solar power. We must develop new methods of producing energy.

I am glad to report to you that in the budget that went to the Congress just yesterday, I have requested the appropriation of some \$2,200 million so that we can develop those necessary domestic capabilities of energy—and geothermal, solar, and other unique and different sources of energy.

We can go back to the 1960's—and that is not too long ago for some of us to remember. This country had a surplus of capacity of crude oil which we were

all able to take advantage of. And we were able, because of the availability, to use this surplus when their sources were disrupted. Unfortunately, this surplus vanished, and as a consequence, the United States today imports more than one-third of its oil from other nations. Unless we act, by the mid-1980's that dependence on imported oil will amount to more than one-half of the oil we use in America.

It is my judgment that this trend must stop, because among other reasons, we cannot afford the \$24 billion we sent out of the country last year to pay for foreign oil imports. That outflow represents not only dollars but jobs. If the present trend continues, more than 10 percent of the national employment and output would be subject to decisions of countries whose national interests might not match our own.

The more oil we import, the more damage another embargo would do to our economy. For instance, industries forced into cutbacks by the lack of fuel would in turn be forced into laying off workers—perhaps, unfortunately, many of your trainees. It is tragic but, unfortunately, true that workers hired last are usually the first to go in such a crisis.

Another embargo could or might cripple our economy, making us much more vulnerable not only economically but in the field of national defense as well. In short, we are not really talking about whether to act, but how to act. The longer the debate, the greater the delay. The longer the delay, the greater the problem.

Obviously, our national vulnerability is aggravated as America procrastinates. I, for one, will not “fiddle while energy burns,” if I might quote the *Christian Science Monitor*.

There is on one-shot, painless answer to the complex energy problem that faces all 213 million Americans. It will not be sufficient to reduce oil consumption unless we also encourage domestic oil production. These measures must be accompanied by a drive to get maximum efficiency out of all the energy that we use and in a national search for new and better energy sources.

When I see or read some of the proposals that come from my friends on Capital Hill, I am sometimes reminded of the difference between washing a car on the one hand and having it tuned up on the other. Washing the car will make it very shiny, but it will not make it run any better. Some proposals do look shiny until you examine them in detail and in depth. But even if they are shiny on the outside, in most cases they will not make the car run any better.

Now, one of those shiny solutions that some have advocated—and I do not

challenge their motives whatsoever—is rationing. But it is my very deep conviction that it will not solve the problem.

To make the program work, we would have to ration not for 6 months, not for 1 year, but a minimum of 5 years. And if we are going to have a 10-year program to solve the problems of energy, which we need, you would look down the road of a 10-year prospect of rationing. I do not think it will work that long.

Now, let me speak, if I might, in considering this alternative. It is estimated that if the Congress legislates gas rationing there will be about 140 million licensed automobile drivers in the country who would be eligible for their quota. Incidentally, we have about 295 million gallons of gasoline available every day. Now, if they were to cut back from their present average usage of 50 gallons per month—that is the national average—to 36 gallons per month to achieve the necessary savings, which is the saving of 1 million barrels of foreign imported oil per day, that would leave each individual with about 9 gallons per week.

Now, what happens—and this is a very legitimate question—to those who absolutely need more gas to get to school, to work, or to shop for food? There would have to be machinery set up to administer the program and handle appeals. And that machinery, we know from past experience, could range from a vast Federal bureaucracy to smalltown boards to decide, for instance, who would receive that extra ration, and would put an automatic system of redtape at all levels and in every town and in the life of every driver.

Unfortunately, no group in this country is more familiar with Government bureaucracy than low-income families who often must depend on Government assistance to survive. Again, it is my deep conviction and judgment that rationing would penalize low-income Americans, because those who needed extra gas would be forced to buy coupons above the rationing quota from those who would use less than the allotment.

The Federal Energy Administration estimates these coupons could sell for about \$1.20 for each gallon of gasoline, all of this on top of the existing price of gasoline today. I think this is logical to conclude that it would mean gasoline bought with those extra purchased coupons could cost as much as \$1.75 per gallon. We know that this would take a great big chunk out of the income of the farmer who must drive 50 miles to the market or the commuter who must use his car to get to work or the salesman who has no other way to reach his customers or the millions of Americans who have become dependent upon their cars for everything from their livelihood to their lives.

And yet, there is another unfortunate aspect of rationing—it would be the emphasis on consumption instead of reducing consumption. Under the pro-

posals that I have submitted to the Congress, Americans would be forced to make some hard decisions on how to reduce their use of gasoline to the minimum; under rationing, Americans would be concerned with the ways that they could obtain more gasoline. And in short, rationing would not be a quick solution or even an easy solution or, in my judgment, even a fair solution.

It would restrict the basic freedom that we think is important in America, the basic freedom of movement in this country, while failing to come to grips with the very diverse needs of Americans for transportation.

Even if it were workable—which I do not think it is—gasoline rationing would not go to the heart of the problem that we face as a country. And the heart of that problem is reducing total oil consumption. Gasoline is only about 40 percent of a barrel of crude oil. The gasoline rationing advocates offer no solution, to my knowledge, on how to save on the other 60 percent of that barrel of crude oil.

Our current national situation on energy is very much like having a disease. If we do not accept painful treatment now, leading to a cure, the disease will only get worse. Like a disease, the energy problem will not spontaneously disappear; neither will it be cured by some Congressional aspirin. We need a comprehensive, solid, constructive solution if we are going to end our vulnerability to foreign oil imports.

Our twin economic problems of recession and inflation are part of that disease which must also be treated swiftly and firmly. The stimulant of a tax rebate to reduce the impact of recession will not be enough without other measures. That is why the \$16 billion tax rebate that I have proposed is tied into a comprehensive plan that will put \$12 billion into the pockets of individual Americans. It will provide a \$4 billion tax incentive to business and to agriculture to expand productivity and to create more jobs.

The importance of making this rebate available to business can be seen in this simple statistic. Businessmen here know precisely what I am talking about. It takes \$12,000 of equipment and plant to support every job. Some jobs require a greater investment. We have to encourage investment if plant capacity is to expand and if jobs are to be created, if our economy is to grow and prosper in the months and years ahead.

This audience, I have observed, is very sensitive to the problems of business and the problems of the jobseeker, and I think you know very well that the fate of both are closely intertwined.

At the same time, you also realize that middle-income Americans who carry the tax burden of the Nation must not be penalized for their success. Disad-

vantaged Americans must be encouraged to train for new jobs, for higher income, for a better standard of living. And these incentives to the people that you work with on a day-to-day basis must not be removed; they should be available. As you train these people, they must have the inspiration and the incentive and the availability to move up that social and economic ladder.

When those final tough decisions were made, or as I was tackling the energy problem, fighting recession, and working on inflation, I did my very best to see that the burden was shared fairly among all peoples—individuals as well as business—and I can assure you, the special problems of low-income Americans were considered very carefully in the decisions that were made. And if you will look at the total package, the plan to stimulate and stabilize and improve our economy and the plan to give us energy independence, you will find that the fate of all Americans was carefully considered and appropriate—in fact, special consideration was given to the less well-off. And if the Congress will act affirmatively on the total program, those who are disadvantaged will be given financial assistance and given an opportunity to improve their lot through OIC.

But what we have to recognize—and that is what Dr. Sullivan said so eloquently—is the fate of all Americans rides upon our mutual success in overcoming present problems. And these problems require a total commitment that looks down the road to total solutions.

A secure economic-energy future depends upon the willingness of all Americans to join in this common effort, and I believe very deeply in this common willingness. I believe Americans will accept the sacrifices of today for a stronger and a better country tomorrow. I have a deep and abiding faith that we will help ourselves overcome the problems we face in the economy, the energy difficulties that are on our doorstep, and in the process, make us a better people individually and collectively—a better people, not only for ourselves but our posterity.

Thank you very kindly.

NOTE: The President spoke at 1:10 p.m. in the Grand Ballroom at the Marriott Hotel. In his opening remarks, he referred to Rev. Dr. Leon H. Sullivan, founder and chairman of the board of the OIC, and

the Ambassadors or their representatives from Mauritius, Sierra Leone, Zambia, Ghana, Cameroon, Nigeria, and the Organization of African Unity.

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The President's News Conference of *February 4, 1975*

THE PRESIDENT. It is a privilege and a pleasure to be in Atlanta. I have enjoyed the stay, and am looking forward to this press conference.

Mr. Cutts of the Atlanta paper [Beau Cutts, Atlanta Constitution].

REPUBLIC OF VIETNAM

[1.] Q. In the last 24 hours you have spoken at length about domestic concerns. I would like to ask you what options you will have to help maintain a non-Communist government in Vietnam if the Congress does not go along with your supplemental appropriation request as well as this fiscal year '76 request for Vietnam?

THE PRESIDENT. If the Congress does not respond to the requested additional military assistance for the current fiscal year, an amount which the Congress last year previously authorized, it will certainly complicate the military situation from the point of view of the South Vietnamese.

The South Vietnamese on their own, with our financial assistance, our military aid, have done very well, but the Congress did not fully fund the requested military assistance that was requested. I believe that if the Congress funds the additional money that I have proposed for this fiscal year and continues the money that I have recommended for next fiscal year, the South Vietnamese can and will be able to defend themselves against the aggressors from the North.

Q. Yes, sir, the question is, if the Congress fails to do that, what options will you have then?

THE PRESIDENT. I do not think that the time for me to answer that question is at the present. I, in the first place, believe the Congress will fund the money that I have requested, and if they do, then I have no need to look at any other options, because they will be capable of defending themselves.

The good judgment of the Congress will fund. The South Vietnamese will defend themselves. And I do not think there will be any other needed options.

Yes, Miss Thomas [Helen Thomas, United Press International].

JUSTICE WILLIAM O. DOUGLAS

[2.] Q. Mr. President, when you were a Congressman and called for the impeachment of Justice Douglas, did you have access or were you slipped any secret FBI data?

THE PRESIDENT. I do not know what the source was of information that was given to me, but I was given information by a high-ranking official of the Department of Justice. I do not know what the source of that information was.

Q. Was it Attorney General Mitchell, then Attorney General Mitchell?

THE PRESIDENT. It was not the Attorney General, John Mitchell.

Q. Was it FBI Director J. Edgar Hoover?

THE PRESIDENT. It was not. Two times and you are out, Helen. [*Laughter*]

CANDIDACY IN 1976

[3.] Q. Mr. President, we have a story that Senator Howard Baker from up here in Tennessee is seriously considering seeking the Republican nomination. In view of a late poll which gives you a rating of 60 percent negative with the American people, in view of your findings here, sir, what is your feeling about any chance or any opportunity you will seek a full term as President?

THE PRESIDENT. I have indicated that it is my intention to be a candidate in 1976, and of course, in our system anybody can, if they so desire, qualify to be a candidate in any primary. I can only indicate what my intention might be, and I pass no judgment on what anybody else might do.

Q. Do you think the economic situation, though, that you will be able to lick it, of course, increasing your chances?

THE PRESIDENT. I believe that the economic situation in 1976 will be an improving economic picture. It won't perhaps be as good as we would like it, but I believe that unemployment will be going down and employment will be going up, and we will be doing a considerable amount better in the battle against inflation than we did in the last 12 months.

So, with the optimism that I think will come from more employment, less unemployment, and a better battle against inflation, I think the economic circumstances will be good enough to justify at least my seeking reelection.

GENERAL SECRETARY BREZHNEV OF THE SOVIET UNION

[4.] Q. Mr. President, when you left Vladivostok in November, we were led to understand that General Secretary Brezhnev would be in Washington in May or June. The time is running short; a lot has happened in American-Soviet relations since then. Do you still look forward to welcoming Mr. Brezhnev just 3 or 4 months from now?

THE PRESIDENT. Mr. Cormier [Frank Cormier, Associated Press], I look forward to having the General Secretary in the United States in the summer of 1975. The negotiations which we concluded in Vladivostok are moving along

in the negotiations that are necessary to put the final draft. These negotiations are taking place in Geneva.

I see no reason why we cannot reconcile any of the relatively minor differences. The basic agreement is still in effect, and I am confident that we can welcome the General Secretary to the United States in the summer of 1975, and I look forward to it.

ECONOMIC AND ENERGY PROGRAMS

[5.] Q. Mr. President, I am Alva Haywood, president of the Georgia Press Association. Your program for the solution of the problems of energy and the economic situation is submitted to Congress as a package, and you are asking Congress to approve this as a package. The concern, sir, is that Congress will lift out points of your program, substitute points of their program, and leave some areas lacking. Would you comment on the possibilities of such a situation?

THE PRESIDENT. It is true, as you have stated, that I submitted to the Congress a comprehensive plan or program to solve our energy problem. As a matter of fact, the bill that we sent to the Congress is about 196 pages, and that did not include the tax proposals, because a President does not submit, in writing, tax proposals; he submits the ideas. And it did not include the proposal I am submitting for the strip mining bill of 1975. But this is a comprehensive, inter-related program to solve our energy problem by reducing consumption and stimulating additional production.

The Congress, I hope, will consider it as a package. Now, if they do not agree with the package, I think the Congress has an obligation to come up with their package. I do not believe they can pick and choose with press release answers. They have to have something solid.

Now, if they want to change, in a minor way, a part of my package, I will understand it. But they cannot come up with a part of an answer, because the problem is altogether too broad and sweeping. It affects us in industry, in our homes, in our driving, et cetera. I just hope the Congress understands the need for a comprehensive plan and will act accordingly.

UNEMPLOYMENT

[6.] Q. Mr. President, recently in Washington, the big city mayors expressed concern over the high unemployment rate, particularly in the cities where it runs, as you know, much ahead of the national unemployment rate. Considering that your Budget Message predicts that we may have high unemployment for up to another year to 18 months, have your advisers given you any forecast on the possible effect in terms of the concern of the mayors, which was a return

to urban violence, the possible effect of continued high unemployment for such a prolonged period of time?

THE PRESIDENT. I did notice the request of the mayors for an additional \$15 billion over and above what I have recommended in helping the cities through general revenue sharing, through the community development program, through the emergency unemployment program. I believe that the combination of recommendations I have made—in those I have mentioned and some others—will meet the problems in our major metropolitan cities, and I do not believe that we should go beyond those in meeting the particular problems in those communities.

Q. With your austerity program, will they be able to get that \$15 billion that they requested?

THE PRESIDENT. I must respectfully disagree with the way you labeled my program as an “austerity program.” It is not an austerity program when you submit a budget for \$349 billion, \$36 billion more than the budget for the current fiscal year, and a budget that provides for \$15 billion more in income transfer payments. So, it is not an austere budget. It is a very expensive budget. Because we have good programs to help the unemployed, to train those people who are unemployed, to help people on social security and other retirement programs, I do not believe we need the extra \$15 billion recommended by the various mayors.

THE CONGRESS AND NATIONAL DEFENSE

[7.] Q. Mr. President, Ron Wilson, Georgia Network. Would you comment, please, on Senator Jackson’s assessment of the 94th Congress? He says it could possibly be the most dangerous in history in terms of the willingness on the part of some Congressmen to relax our defense posture.¹

THE PRESIDENT. I had not seen Senator Jackson’s description of the potentials of the 94th Congress. I hope that that description is not an accurate one, and I am going to wait and see whether they do take the kind of action that might destroy our military capability. I usually agree with Senator Jackson on national defense appropriations, policies, et cetera. If this Congress does slash, without rhyme or reason, the military budget that I have submitted, it could jeopardize our national security. I think it is premature to say they will. I certainly hope they don’t. But I can say, without any hesitation, that I will vigorously oppose any attempt to slash, without rhyme or reason, our military strength as represented in the budget that I have submitted.

¹ The reporter erred in attributing the remarks to Senator Henry M. Jackson of Washington. The remarks were made by Senator Barry Goldwater of Arizona.

RECESSION AND BUDGET DEFICITS

[8.] Q. Mr. President, some people believe that your economic advisers—particularly Mr. Greenspan and Secretary Simon—would like to have this recession get somewhat deeper so that it will take a bigger bite out of inflation. Is that a correct assessment?

THE PRESIDENT. I have spent a good many hours with Alan Greenspan as we went over the various options in our economic and energy program. I can say most strongly that Alan Greenspan does not want us to have more adverse economic conditions than we have today.

He has joined with me in supporting the program that I submitted, a \$16 billion tax reduction or rebate, and he has also joined with me in recommending a \$17 billion curtailment of certain Federal budgetary expenses.

It seems to me that this is a well-balanced program. It is not aimed at trying to make our economic circumstances worse. It is aimed at trying to balance our economy, so that we recover from the recession as quickly as possible and, at the same time, avoid the potential dangers of a rekindling of double-digit inflation.

I think the Congress is cognizant of the problem. I hope the Congress acts responsibly. And I am an optimist enough to believe they will.

Q. If that is the case, Mr. President, why is it that the deficits that you have proposed for fiscal 1975 and fiscal 1976 amount to only a little more than 2 percent of the gross national product in '75 and a little over 3 percent of the gross national product in '76? How can you turn around a trillion-and-a-half dollar economy with net stimulants that are that small?

THE PRESIDENT. I looked at a chart the other day that shows the deficits in our Federal Government for the last 10 or 15 years, and the deficit that we will have in 1976 is higher as a percentage of GNP than any deficit in the last 10 or 15 years, as I recollect.

The deficit in 1975, which is \$35 billion, is among the top-ranking deficits as a percentage of GNP. So, two of those back-to-back, in my opinion, are potentially dangerous from the point of view of rekindling inflation, and they are sufficiently stimulative to, I think, take us out of the current recession.

HIGHWAY TRUST FUNDS

[9.] Q. I am Sally Lofton, with Southeastern Newspapers. Forty million dollars, which had been intended for highway construction in Georgia, was included in highway trust funds impounded by President Nixon, and I was wondering if you plan to release any of these funds?

THE PRESIDENT. Last evening I met with a number of the Governors from the

Southern and Southeastern States. They did raise that question, urging that I release some of the deferrals or rescissions in the Highway Trust Fund. I mean deferrals, not rescissions.

I have promised them that I will take a look at their recommendation. Some of them said their States were ready to go, they could let bids within 30 days and get construction underway very quickly.

I will talk to the Federal Highway Commissioner, former Governor Tiemann of Nebraska, and will let the Governors know whether we think this is something that ought to be done promptly.

Q. Was Governor Busbee one of the ones who said he was ready to go?

THE PRESIDENT. As I recall, he and several others, including Governor Askew of Florida.

JUSTICE WILLIAM O. DOUGLAS

[10.] Q. Mr. President, Bob Schieffer [CBS News]. I would like to follow up on Helen's question. You told us the two officials who did not give you that information. Would you tell us who did? And beyond that, can you tell us what sort of information it was, and beyond that, what did you do with it?

THE PRESIDENT. Well, the information that was given to me was to a substantial degree included in the speech that I made on the floor of the House, which is a printed document and has been widely distributed. The information was given to me by Mr. Will Wilson, who was then one of the Assistant Attorney Generals.

ARAB INVESTMENTS IN THE UNITED STATES

[11.] Q. Mr. President, I am Bobby Branch, and I publish a country newspaper in Perry, Georgia.

THE PRESIDENT. What have we got—segregation here between the Washington press corps and the local press corps? [*Laughter*]

Q. Yes, sir. In view of the recent Arab oil interest investments in America—and even here in Georgia, the State government is actively seeking Arab investments—I was wondering what your opinion was on the trend in this direction?

THE PRESIDENT. There have been some recent news stories to the effect that the Iranian Government, for example, wanted to invest in Pan Am. They were thinking of buying six TWA jets that were not being used. And there is a story about one of the Arab countries buying a substantial interest in one of our largest banks in the State of Michigan.

The Department of State, the National Security Council are looking into this question. It is a matter, I think, that will require our best analysis and probably

a final decision by myself. But we are not in the position where I can give you a categorical answer at this point.

THE NATION'S ECONOMY

[12.] Q. Mr. President, I would like to return, if I could, please, to your answer to a question which was asked a little earlier, in which you expressed optimism that the economy would improve next year over its present situation and that that would help your chances for reelection.

By your own statistics, sir, unemployment will be 7.9 percent next year, and that is higher than it is now. The gross national product will drop, I believe, 3.3 percent now, which would be a bigger drop than last year, and we will continue to have double-digit inflation.

With that grim economic outlook, sir, on what do you base your hope for reelection, inasmuch as your own statistics make the outlook worse next year than it presently is?

THE PRESIDENT. Let's trace the history of inflation. From December 1973 to December 1974, the cost of living went up 12.2 percent. From December 1974 to December 1975, we expect the cost of living to go up 9 percent. Between December of '75 to December of 1976, we expect the cost of living to go up 7 percent, so that is a very significant improvement, and it is not double-digit inflation. It is almost cutting in half the inflation that we had from December '73 to December '74. From the point of view of unemployment, it is true that we expect, in 1975, inflation to average over, I think it is, 8.4 or 8.5 percent.

We do expect, however, by the second and third quarter of 1975 to have a switch that will be on the plus side. It will be a switch that will probably mean a 5-percent increase in the GNP. It will undoubtedly mean an increase of about 2 million in those employed.

So, the trend will be good, with higher employment and improvement in the gross national product and a slight downtrend in unemployment figures. They will get better the further we go into 1976, so I am not as pessimistic as you appear to be, and I am not as pessimistic when you look at the trends, not the averages, as some of the computer readouts tend to lead you to believe.

ECONOMIC RECOVERY AND PUBLIC CONFIDENCE

[13.] Q. Mr. President, Peter Bannon, WAGA Television, Atlanta. Sir, we are told the confidence of the businessman and the consumer is essential to economic recovery. Two questions, sir.

First, your estimation of this confidence, and second, is there a possibility that

as a lot of people who have not been badly hurt by our economic problems become increasingly bored with this talk of economic uncertainty, is there a possibility of a spontaneous recovery of confidence, regardless of what is done in Washington?

THE PRESIDENT. Well, I happen to subscribe to the idea that the actions of the American people are oftentimes infinitely more important than what the Congress or the President do in Washington, D.C. If we get a restoration of public confidence, which has been falling rapidly and has been a major contributing factor to our economic problems, if we get a restoration of that—and there is some evidence that that is taking place—then, in my judgment, we will get a faster recovery than what some of the experts are forecasting.

Now, there has been in the last several weeks a very interesting development, and the changes in our economy in the last 2 or 3 months have shown certain sudden actions that most people did not forecast nor anticipate.

We have had a tremendous inventory sell-out, much more rapid than anybody forecast. This means that in a relatively short period of time—much more quickly than anyone expected a couple of months ago—that as you bottom out and you get a reasonable balance between inventory and production, that the recovery will come more quickly than some of the experts had forecast or anticipated.

This development, plus what I think is a restoration of public confidence, gives to me the feeling that we are going to do better at the end of this year than what some of the experts are saying.

Q. Could you suggest a guideline or something we can look for in the next few months that might, as a guidepost, help restore this confidence? Any specific objective in the next couple of months that would relate to the American people and their confidence in whether or not to spend their dollars?

THE PRESIDENT. Well, the unusual and, I think, successful marketing techniques shown by the automotive industry in the last month and the announcement that some of the appliance manufacturers are going to use the same marketing techniques—good old American free enterprise—I think this approach will have a very good stimulant, not only to the facts of the economy but to public confidence. So, if they keep up this good, hard marketing practice, in my judgment, that is the best guideline that I can think of.

TAX REBATES

[14.] Q. Mr. President, I am Dennis Farney, with the Wall Street Journal. The House Ways and Means Committee has rejected your tax rebate formula

in favor of one that would provide more help to low- and middle-income people. At the same time, the committee seems inclined to perhaps continue some of its tax cuts indefinitely, instead of ending them after 1 year as you have proposed. Could you live with these changes?

THE PRESIDENT. Well, of course, the House Committee on Ways and Means has only taken tentative action. Their procedure is to make tentative decisions and then go back in the final analysis and either agree with or change what they have made as they have gone along. This is only the first of four major steps, maybe five. The House has to approve it, the Senate Committee on Finance has to act, the Senate, and then in conference. So, I think it is premature for me to make any categorical judgment as to whether I would accept what the tentative agreements are in House Committee on Ways and Means. I think I had better wait and pass judgment on what looks like might be the final version.

ENVIRONMENTAL GOALS

[15.] Q. Mr. President, John Pruitt of WSB Television. You have called for relaxing of pollution controls because of the energy crisis, and some have accused you of abandoning the environmental movement.

I would like to know what you think is going to happen to the environmental movement and the strides that have been made in the past few years as a result of your proposals?

THE PRESIDENT. I do not think that I have recommended any major shift away from our environmental goals. Let me take one that I am very familiar with.

Under existing law, within the next 2 years the automobile manufacturers would have to go to a substantially higher emission standard. And the automobile manufacturers are testifying right now that if they are forced to go to that very, very high standard, there will be an added cost to every automobile that is produced and there will be no improvement and probably a decrease in the efficiency of automobiles, which means that cars sold in the next 3 or 4 years will guzzle more gasoline, not less gasoline.

With the effort that I think is reasonable, we can increase automobile efficiency by 40 percent and still achieve an increase in environmental emission standards. And here is what I have recommended: that the Congress change the law to improve the environmental emission standards from the present law to the California standards, and in return for that change of the law, the automotive manufacturers have agreed with me in writing to increase automotive efficiency

40 percent in the next 5 years, which means we will get 40 percent more miles per gallon and still have a higher emission standard than we have today in our automobiles that are sold throughout the country.

Now, in the case of the Clean Air Act that would permit the utilities that are now using oil to go to coal, we have asked for some postponement. We have not abandoned the goal, but in order to cut down our importation of foreign oil, we have asked the Congress—and the head of EPA, Russell Train, has agreed—that this is a reasonable request.

I think under the crisis we face, a short stretchout is understandable and desirable in this area. So, I have not abandoned any improvement in our clean air efforts. I have simply, in the one case, moved up to the California standard and, in the other, stretched out the situation to some extent. This, in my opinion, is a realistic approach, a proper balancing of environmental needs and energy demands.

I can assure you that in our judgment it is a reasonable position and it is wholly agreed to by Mr. Train, the head of the Environmental Protection Agency.

ECONOMIC STIMULANTS

[16.] Q. Mr. President, Philip Shabecoff, the New York Times. Sir, your economic policies apparently would allow a high rate of unemployment for years to come in order to prevent a new round of inflation. Sir, isn't there some approach you could take other than this that would avoid this human suffering?

THE PRESIDENT. The proposal that I have submitted to the Congress provides for a very substantial stimulant to get us out of the current recession. I hope the Congress will act quickly, and the quicker the better. That will be the best demonstration of what the President and the Congress can do to turn the direction of our economy from a recession to an improvement.

It is my judgment that any additional stimulant at this time could lead to the kind of inflation that we fought so hard to overcome for the last 12 months. If we were to substantially increase—I emphasize “substantially increase”—the deficit of \$52 billion, it could provide a tremendous stimulant, but what would that do?

It would probably dry up our financial markets, with Uncle Sam going in to borrow \$60 to \$70 billion in 12 months, plus \$30-some billion in this fiscal year.

It would probably force interest rates high again, instead of the trend we are on now with lower interest rates. And it undoubtedly, with high interest rates, hard-to-get credit, and higher and higher inflation, would start us right down

the road we have just avoided and, I think, multiply, not help our present economic circumstances.

WAGE AND PRICE CONTROLS

[17.] Q. Sir, to follow up, some economists and some Democrats have proposed——

THE PRESIDENT. I am glad you say Democrats are not economists, or vice versa. [*Laughter*]

Q. Sir, there is a proposal that a larger degree of stimulation combined with wage and price controls would solve the problem of the recession, while preventing another round of inflation. Do you, sir, regard wage and price controls as worse than an 8-percent unemployment rate for the next 2 years?

THE PRESIDENT. I don't think, when you are faced with the kind of adverse economic circumstances we have today, a recession which we are trying to get out of, that wage-and-price-control medicine is the answer to the economic problem. And I believe that the stimulant I have proposed with the tax reduction, with the responsible expenditure limitations, is a very fine line that will permit us to get out of the recession and avoid double-digit inflation. And to put on top of this kind of an economy wage and price controls would be the worst kind of medicine that I can foresee.

FISCAL ADVICE TO STATE LEGISLATURES

[18.] Q. Mr. President, I am Selby McCash, with the Macon Telegraph and the Macon News. The Georgia General Assembly is in session at the moment, and many State legislatures are. What advice could you give the State lawmakers to augment and supplement your programs on economy and energy? Quite simply, is there anything these gentlemen on the State level can do?

THE PRESIDENT. I believe that State legislatures have an obligation, such as we have in the Federal Government, to try and handle their fiscal affairs in a responsible way. I do not think the State legislatures or municipal governments should act irresponsibly and then come to the Federal Government for more funds over and above what has been recommended in the budget that I have submitted to the Congress.

If they have financial problems, I think they have to face up to them. I believe that they will have to tighten their belts, in some cases, on the expenditure side and they may have to increase taxes, as Governor Carey of New York has proposed. But anyhow, they should not act irresponsibly and then come to the Federal Government and expect us, under our circumstances, to bail them out.

WHITE HOUSE BUDGET

[19.] Q. Mr. President, you have asked the country to sacrifice to help us out in this time of trouble, but our own budget shows that the Executive Office of the President has outlays of 65 percent more in fiscal year 1975 over fiscal year 1974. Furthermore, we look at the kind of habits in the Administration: Not many days ago, Secretary Kissinger had a speech in Los Angeles, and to make one speech, he takes two planes—two very large planes—and spends tens of thousands of dollars of the taxpayers' money. Don't you think it is time for the White House to tighten its belt and other members of the Administration to do the same thing?

THE PRESIDENT. I can assure you, since I took over, that we have thoroughly looked into the personnel of the White House, and if my memory is correct, we have cut back about 10 percent in personnel. The increases that have come—again, my memory suggests—is that the White House is now being charged rent by GSA just as GSA charges every other Federal department for federally owned office buildings that are occupied by a department.

And there has been an increase in compensation for Federal employees, which I happen to oppose and asked to be deferred. So, when you add up the items that I have indicated, plus the 10-percent reduction in personnel, at least as far as we are concerned, it is my judgment that we have been cutting back rather than adding to.

Now, in the case of Secretary Kissinger, Secretary Kissinger is a very important person in this Government at this time, and it would be tragic if anything happened to him as a result of not taking necessary precautions. And I, for one, do not want any lack of precaution to result in anything that would hurt, in my opinion, the carrying out of our foreign policy, which is a success.

I happen to think the protection of his life, which is important to the foreign policy of this country, is worth the expenditure that you indicated.

Q. As a followup, Mr. President, you say that you have to pay rent now on the White House. What happens if you cannot pay your bills? Do they throw you out? [*Laughter*]

THE PRESIDENT. Well, you ask Mr. Sampson. I think they will take it out of our appropriation bill.

REPORTER. Thank you, Mr. President.

NOTE: President Ford's seventh news conference began at 2:35 p.m. in the Grand Ballroom at the Hyatt Regency Hotel, Atlanta, Ga. It was broadcast live on radio.

In his closing remarks, the President referred to Arthur F. Sampson, Administrator of General Services.

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Statement on Suspension of United States Military Assistance to Turkey. February 5, 1975

LEGISLATION enacted by Congress requires that arms deliveries to Turkey must be suspended February 5. The Administration will comply fully with the law. However, it should be made clear that military aid to Turkey is not given in the context of the Cyprus issue, nor has it been granted as a favor to Turkey. Rather, it is based on our common conclusions that the security of Turkey is vital to the security of the Eastern Mediterranean and to the security of the United States and its allies.

A suspension of military aid to Turkey is likely to impede the negotiation of a just Cyprus settlement. Furthermore, it could have far-reaching and damaging effects on the security and hence the political stability of all the countries in the region. It will affect adversely not only Western security but the strategic situation in the Middle East. It cannot be in the interest of the United States to take action that will jeopardize the system on which our relations in the Eastern Mediterranean have been based for 28 years.

When it is seen that the United States is taking action which is clearly incompatible with its own interests, this will raise grave doubts about the conduct of American foreign relations even among countries that are not directly involved in that area.

The Administration judges these adverse effects of a suspension of aid to Turkey to be so serious that it urges the Congress to reconsider its action and authorize the resumption of our assistance relationship with Turkey.

NOTE: The suspension of military assistance to Turkey was required by the continuing appropriations resolution of October 17, 1974 (Public Law 93-448, 88 Stat. 1363).

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Toasts of the President and Prime Minister Zulfikar Ali Bhutto of Pakistan. February 5, 1975

Mr. Prime Minister and Begum Bhutto, and our distinguished guests from Pakistan as well as from the United States:

We are deeply grateful that all of you are here, and we are especially thankful that the distinguished guests have come to our great country.

We think this is a very special evening. We as Americans have the honor of welcoming a true friend of America, the head of state of Pakistan, to our Nation's Capital, Washington, D.C.

I am delighted to have had the opportunity this morning to meet with the Prime Minister. We had a fruitful, beneficial, and enjoyable meeting this morning, and we are delighted, Mr. Prime Minister, to have you and Begum Bhutto with us this evening.

We are also especially pleased and honored to have your two children—two of your four children—with us on this occasion. I think it is interesting, but also somewhat unique, that your children are going to school in our great country, and we are delighted to have them, and we hope that they have enjoyed themselves and are enjoying themselves. We are not only pleased but honored that they are with us in the United States for this experience.

It is, I think, particularly noteworthy, Mr. Prime Minister, that you and Begum Bhutto are here and that she has particularly joined you in this visit, as she has joined you on previous occasions, working for the best interests of your people in your country. And I compliment her as well as yourself for these efforts.

The world knows, Mr. Prime Minister, that the burdens of leadership fell on you at a time in the history of Pakistan which was one of the most critical and the most serious in the history of your country.

But with confidence and great determination, you have guided your nation through a period, an era of peace and reconciliation. Your accomplishments as well as your courage, I think, have received the highest praise, both within your country and without.

Our first official meeting represents another link in the chain of a much longer association between the leaders and the peoples of Pakistan and the United States. And we want to maintain and to strengthen that relationship and that friendship that has been most important between your country and ours.

The talks that we had this morning, I think, helped to strengthen and to broaden that relationship.

As we know, peace in the world depends upon peace in its various parts. Your leadership, Mr. Prime Minister, has enabled Pakistan to move forward with India toward achieving peace in that very important area of the world.

I am tremendously impressed by the efforts that you are promoting in economic and agricultural development for Pakistan despite the serious problems posed, as we all know, by the rapid rise of price levels for essential goods in your country.

And as you persevere, Mr. Prime Minister, persevere in your tasks, you may

be sure that this Government regards the sovereignty and the territorial integrity of a strong, secure, and prosperous Pakistan as a fundamental element in maintaining regional and world peace.

So, if I might, Mr. Prime Minister, let me propose a toast to you, Prime Minister and Begum Bhutto, to the ideals and to the hopes they personify so very well, and to further strengthening of our relations between our two countries.

To Prime Minister and Begum Bhutto.

NOTE: The President spoke at 9:56 p.m. in the State Dining Room at the White House. Prime Minister Bhutto responded as follows:

Mr. President, Mrs. Ford, distinguished friends:

At the outset, I would like to say that my companions—those who have come with me from Pakistan—on their behalf and on behalf of the people of my country and on my own behalf, we would like to thank you, Mr. President, and your Government for the very warm and generous hospitality which you have extended to us.

I have been here on a number of occasions, and each occasion has been a memorable one because it has been a journey to the capital of a great power, a super power, a power to reckon with, a power which has a role to play in the tranquilization of the world situation and has exercised a formidable influence on men and matters for a very long period of time.

Here at this table we had the honor of having a very congenial conversation with Mrs. Ford and with the very dangerous man sitting on my right.¹ [Laughter]

He told us that this evening he came to the White House in a taxi. So that reminded me of one occasion during my many visits to your great capital, and it was in 1965. President Ayub then was in charge of the destiny of our country, and we had prolonged discussions with President Johnson.

And the discussions went well, but at the same time we left the room a little depressed. So I and some of my companions went to all the nightclubs in Washington.

And when we left the last place, we told the taxidriver, "Take us to Blair House." He said, "Are you kidding?" [Laughter]

Be that as it may, we warmly cherish our friendship and our association with the great American people.

As I told you this morning, Mr. President, the vitality and the energy of the American people have impressed us very much and has impressed the world at large.

I have often thought of your great values. I might be wrong, but I feel that it lies in your people, it lies in your institutions, and it lies in the leadership that the American Government has given to its own people and to the world at large at critical times.

These are critical times, and you have been summoned by destiny to take charge of the affairs of your country at a time when the world stands at the watershed. And many of your decisions might make or mar the course of events.

We feel that with your vision and with the very able lieutenants that you have, especially in the field of foreign affairs, that you will overcome one challenge after another and promote the cause of peace and good will.

There are problems which confront you internally; there are problems which confront you in the world outside. The Middle East, Europe, your efforts to promote a détente, your dialog with China—all this the world watches. Every step you take is observed. And so, we hope that with the passage of time, we will turn the corner, all of us put together—the whole world.

You will make a very major contribution. But whatever little contribution—small, insignificant—underdeveloped countries like ours can make, we would all be happy to see a happier world.

And I can assure you that on our part we will try to promote peace and consolidate the tissues of peace. We would not like to add tension to tension. We would not like to aggravate the situation in our own region, and the world at large can move forward to a situation where our children, at least, will feel more secure and happier, and they will admire the role that this present generation made to achieve that noble end.

This is a beautiful world, and we must preserve its beauty. Future generations should not say that, like Shelley, the super powers found an Ozymandias. They should say that the super powers, with bravery and with vision and with courage, reckoned with the problems and overcame them.

¹ The Prime Minister was referring to columnist Art Buchwald.

We know that you have the capacity and the material and the ability to do so, and we leave your shores feeling more reassured with the measures that you have taken to promote those Olympian ends.

Finally, Mr. President, I would like to reiterate our gratitude to you, to your Secretary of State, to your colleagues here, to the Senators we met today, for the understanding of the problems that we face and for their objective appreciation of our difficulties.

This has been a fruitful and a constructive visit.

I better not say more than that because the Secretary of State has told me that you must be very careful of what you say. [*Laughter*]

So, I would like everyone to join me in a toast to the President of the United States, to Mrs. Ford, to the great American people, and to the role of the United States in the consolidation of world peace.

Mr. President.

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Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Surface Mining Legislation.

February 6, 1975

OUR Nation is faced with the need to find the right balance among a number of very desirable national objectives. We must find the right balance because we simply cannot achieve all desirable objectives at once.

In the case of legislation governing surface coal mining activities, we must strike a balance between our desire for environmental protection and our need to increase domestic coal production. This consideration has taken on added significance over the past few months. It has become clear that our abundant domestic reserves of coal must become a growing part of our Nation's drive for energy independence.

Last December, I concluded that it would not be in the Nation's best interests for me to approve the surface coal mining bill which passed the 93rd Congress as S. 425. That bill would have:

- Caused excessive coal production losses, including losses that are not necessary to achieve reasonable environmental protection and reclamation requirements. The Federal Energy Administration estimated that the bill, during its first full year of operation would reduce coal production between 48 and 141 million tons, or approximately 6 to 18 percent, of the expected production. Additional losses could result which cannot be quantified because of ambiguities in the bill. Losses of coal production are particularly important because each lost ton of coal can mean importing four additional barrels of foreign oil.
- Caused inflationary impacts because of increased coal costs and Federal expenditures for activities which, however desirable, are not necessary at this time.

- Failed to correct other deficiencies that had been pointed out in executive branch communications concerning the bill.

The energy program that I outlined in my State of the Union Message contemplates the doubling of our Nation's coal production by 1985. Within the next ten years my program envisions opening 250 major new coal mines the majority of which must be surface mines, and the construction of approximately 150 new coal fired electric generating plants. I believe that we can achieve these goals and still meet reasonable environmental protection standards.

I have again reviewed S. 425 as it passed the 93rd Congress (which has been reintroduced in the 94th Congress as S. 7 and H.R. 25) to identify those provisions of the bill where changes are critical to overcome the objections which led to my disapproval last December. I have also identified a number of provisions of the bill where changes are needed to reduce further the potential for unnecessary production impact and to make the legislation more workable and effective. These few but important changes will go a long way toward achieving precise and balanced legislation. The changes are summarized in the first enclosure to this letter and are incorporated in the enclosed draft bill.

With the exception of the changes described in the first enclosure, the bill follows S. 425.

I believe that surface mining legislation must be reconsidered in the context of our current national needs. I urge the Congress to consider the enclosed bill carefully and pass it promptly.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable

Nelson A. Rockefeller, President of the Senate. The summary of the proposed legislation was included as part of the release.

76

Statement on Signing an Executive Order Concerning Federal Labor-Management Relations in the Federal Service.

February 6, 1975

I SIGNED today an Executive order [11838] putting into effect recent recommendations of the Federal Labor Relations Council, to improve Federal labor-management relations. This Executive order permits consolidation of many

bargaining units, increases the scope of negotiations, and removes certain arbitrary barriers to bargaining.

I am grateful for the skill and hard work reflected in the recommendations of the Federal Labor Relations Council. Labor organizations, Federal agencies, and the interested public who contributed advice also deserve to be commended.

Thirteen years have passed since the establishment of the labor-management relations program in the Federal service. It was created to give Federal employees a greater opportunity to participate in the formulation and implementation of personnel policies and practices affecting conditions of their employment. Since then, the program has made great contributions to the evolution of modern and progressive employment practices in the Federal service and, thereby, has served the public interest.

Good labor relations will continue to have high priority in my Administration. We have seldom been in greater need of cooperation in making government more effective and cohesive.

77

Message to the Congress Transmitting Annual Report on Sickle Cell Anemia. *February 6, 1975*

To the Congress of the United States:

I am pleased to send to the Congress the Second Annual Report on the Administration of the National Sickle Cell Anemia Control Act (P.L. 92-294) in accordance with the requirements of Section 1106 of the Public Health Service Act. The Annual Report highlights the progress made in the implementation of the National Sickle Cell Disease Program and related activities as provided for in the Act.

Research efforts to investigate the mechanisms and subsequent complications of the abnormal sickling phenomenon in sickle cell anemia have continued to receive significant attention over the past year under the National Institutes of Health. Clinical trials and preliminary studies utilizing various antisickling agents are underway to alter the sickling process and thus aid individuals who suffer from sickle cell anemia. Demonstration service activities designed to improve public awareness, education, detection and counseling in regard to sickle cell have significantly increased over the past year under the combined efforts of the Health Services Administration and the National Institutes of Health.

The activity toward Sickle Cell Anemia continues to be of high priority for our Government and I am pleased to commend this report to the attention of the Congress.

GERALD R. FORD

The White House,
February 6, 1975.

NOTE: The report, entitled "Second Annual Report on the Administration of the National Sickle Cell Anemia Control Act," covers the period January 1, 1973 to June 30, 1974 (15 pp. plus appendixes).

78

Joint Statement Following Discussions With Prime Minister Bhutto of Pakistan. *February 7, 1975*

PRESIDENT Ford and Prime Minister Bhutto held cordial and useful discussions during the Prime Minister's visit to Washington February 4-7. They welcomed the opportunity to establish a personal relationship in the spirit of cooperation and understanding which has traditionally existed between leaders of the two countries. The President and the Prime Minister stressed their commitment to the strengthening of the close ties which have been maintained between the United States and Pakistan for many years.

The two leaders discussed the important international political developments of the past eighteen months with particular emphasis on the significant steps taken in furthering international détente, the vital efforts to secure a just and lasting peace in the Middle East, and proposals to increase cooperation between developing and developed countries.

They also reviewed the important steps taken to bring about more normal relations among the nations of South Asia. The Prime Minister expressed Pakistan's determination to continue to play a constructive role in the search for peaceful solutions to regional disputes, so as to promote the establishment of durable peace in the Subcontinent. President Ford assured the Prime Minister that support for the independence and territorial integrity of Pakistan remains an enduring principle of American foreign policy. The two leaders also discussed their mutual security concerns in the context of the commitment of their Governments to the strengthening of regional and world peace.

President Ford expressed his deep sympathy over the loss of life resulting from the devastating earthquake which recently struck northern Pakistan. The

Prime Minister expressed his appreciation for the contributions of the United States Government toward the relief efforts now underway.

The Prime Minister discussed the serious shortfall experienced by Pakistan in foodgrain production in recent months. He noted his concern with drought conditions which persist throughout the wheat-producing areas, a problem which has been accentuated by the unexpected delay in commissioning the Tarbela Dam. He noted, in this regard, his appreciation for the substantial assistance rendered Pakistan under the PL 480 program during the past several years. President Ford told the Prime Minister that the United States Government was pleased to be able to offer 300,000 tons of wheat under PL 480 Title I for immediate delivery, in addition to the 100,000 tons already made available during this fiscal year. The President assured the Prime Minister that Pakistan's needs would continue to receive priority consideration in determining additional allocations this year and next.

The two leaders also reviewed economic cooperation between the two countries. Prime Minister Bhutto described the important economic development programs now underway in Pakistan, including the high priorities placed on agricultural development and population planning—areas in which assistance from the United States and other donors has made a valuable contribution. President Ford pledged continued priority attention to Pakistan's development assistance requirements.

Prime Minister Bhutto renewed his invitation to President Ford to visit Pakistan. President Ford expressed his warm appreciation for this invitation and reiterated his hope that the visit would be possible later this year.

79

**Remarks at the Swearing In of Edward H. Levi as
Attorney General of the United States. February 7, 1975**

Mr. Vice President, Mr. Justice Powell, Acting Attorney General Silberman—your tenure is rather short, Larry—Attorney General-designate Ed Levi, Mrs. Levi, employees of the Department of Justice:

It is really a great occasion for me to come to the Department of Justice and participate in this wonderful ceremony in the Great Hall of the Department of Justice. And before making a comment or two about our new Attorney General, let me say that I am deeply grateful to the people of the Department of Justice who, in a period of great difficulty, turbulence, and problems of un-

usual significance—all of you have done a fine job. And on behalf of 213 million other Americans, let me express my gratitude for them as well as for myself.

I do want to say also a word of appreciation to Bill Saxbe, who became the Attorney General at a very difficult time. I knew Bill Saxbe as a Member of the Congress. I knew him when he was attorney general for the State of Ohio. And I wish to compliment Bill on the job that he did, again, during a period of great difficulty.

Obviously, he has new and difficult chores, but they are equally important, representing our country in another land almost halfway around the world, a country of some 600 million people, a vitally important country, not only in that part of the world but elsewhere.

And, Bill, I am sure that I can speak for all of you in this Great Hall and all that worked with you in wishing you the very, very best on this new mission.¹

I was reviewing with the new Attorney General some of his past activities. And all of a sudden it occurred to me that although he had gone to the University of Chicago as an undergraduate and gotten his legal degree from the University of Chicago Law School, he and I appeared in New Haven in the fall of 1935.

He came with a much more distinguished record, as a graduate of the University of Chicago and its law school, and I came to Yale as a graduate of the University of Michigan with a job as an assistant football coach.

I struggled for a couple of years to try and convince the Yale Law School that they should admit me and struggled with the department of athletics to convince me that I could do both. All of the time, Ed, of course, was adding to his illustrious career as a legal scholar.

He went on to great achievements in the legal profession, the Department of Justice, as, subsequently, the dean of the University of Chicago Law School, and finally as the president of a great educational institution, the University of Chicago.

I struggled and finally got through law school. And it is, I think, a wonderful experience for me to have the privilege, on this fine morning, to participate in a ceremony where the new Attorney General will be sworn in to a very important job in this country, a responsibility of carrying out with conviction and dedication, integrity, the laws of the United States, protecting the rights of individuals, protecting the rights of the Government, and making the Department the great Department that it has been and must be if all of our citizens are to have faith in the laws of our land.

¹ William B. Saxbe was sworn in as U.S. Ambassador to India on February 3, 1975.

So, it is a privilege for me to join with you in participation in this ceremony of a man who has earned the honor of being the Attorney General of the United States, participating in a ceremony for a person who will make certain that all of our fellow citizens believe this Government when laws are interpreted, when laws are carried out. And this faith is vitally important for our country at this very troubled time.

And so, Ed, I congratulate you. I could not help but notice that you were immensely successful in your confirmation proceedings. You did much better than I. I spent about 5 days before a Senate committee and did not get unanimous support. You spent about a day before a Senate committee and were whisked through the Senate Chamber without a recorded vote.

I compliment you, but it is a compliment to you that the Senate of the United States has such faith in you, as your associates in the Department of Justice will, as I do, as President of the United States.

So, it is a privilege for me to ask the Associate Justice of the United States Supreme Court, Justice Powell, to administer the oath. And Justice Powell, of course, in his own right, is a man of great legal stature, former president of the American Bar Association, a man with a renowned reputation in the private practice.

And so now, I ask Justice Powell if he will administer the oath of office to our new Attorney General, Ed Levi.

NOTE: The President spoke at 11:05 a.m. in the Great Hall at the Department of Justice. Attorney General Levi's response to the President's remarks is

printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 164).

80

Letter Accepting the Resignation of Secretary of Labor

Peter J. Brennan. *February 7, 1975*

Dear Pete:

I have your letter of February 6, and it is with deepest regret that I accept your resignation as Secretary of Labor, effective on or about March 15, 1975, as you requested.

As you depart, however, I want to take this opportunity to tell you how sincerely grateful I am for your outstanding service to our Nation. You have served during a time of particular challenge. The strong insights you have brought to the special problems confronting the American worker today and the perceptive leadership with which you have directed the Department of

Labor constitute an exemplary record of public service. You can be very proud of this outstanding record. It is one that has deservedly earned you the high respect of your colleagues and the full gratitude of your fellow citizens.

I also want to express my personal appreciation to you for your unfailing cooperation and assistance to my Administration during these first important months. I am particularly grateful for your vital work in shaping and guiding to enactment the Pension Reform Bill of 1974. This is truly historic legislation, of immense and lasting benefit to the American worker, and I am proud and grateful that, thanks to your untiring efforts, it could be one of the first bills I signed into law as President.

Betty joins me in extending to you and your family our warmest good wishes for every continued success and happiness in the future.

Sincerely,

JERRY FORD

[The Honorable Peter J. Brennan, Secretary of Labor, Washington, D.C. 20210]

NOTE: Secretary Brennan's letter of resignation read as follows:

Dear Mr. President:

Having just completed two years in office, I have taken the time to review the accomplishments that we have made in that short time period. I sincerely believe that the Department has made many outstanding contributions and truly carried out its mission to promote and protect the interests of American workers.

In the course of this review, I have also considered my own personal situation and decided that it is in my own best interest and that of my family to

return to the private sector. Therefore, I am hereby submitting my resignation to be effective on or about March 15, 1975.

It has indeed been a personal pleasure and a great privilege working with you on behalf of the people who make up this great nation of ours. My prayers and best wishes will be with you in all that you do.

Respectfully submitted,

PETER J. BRENNAN
Secretary of Labor

[The President, The White House, Washington, D.C.]

81

Remarks at the Swearing In of James T. Lynn as Director of the Office of Management and Budget. *February 10, 1975*

Jim and Mrs. Lynn, Mr. Justice Rehnquist, the Lynn family, distinguished guests:

It is a great privilege to be here on this occasion. I was looking over Jim's long and very beneficial record, starting back in 1969 as, first, General Counsel of the Department of Commerce and then Under Secretary and subsequently the head of the very, very important Department, Housing and Urban Development. And in each and every case, Jim has done a superb job.

I asked him to leave that responsibility and come over to OMB. And of course,

those of us who have worked in the years gone by with the Office of the Budget know that several years ago, the Office of the Budget was expanded and became OMB. We know that Roy Ash did a super job in that new responsibility, and that agency of our Government has a continuing responsibility of great magnitude.

In moving from HUD over to OMB, we all recognize that Jim has got a big pair of shoes to fill. I might say I saw Jim Lynn out at Andrews Air Force [Base] last night, and I could not help but notice that Jim has a big pair of feet. [Laughter] So, I think he will fill those big shoes very adequately. But the Office of OMB is one that works very closely with me and with all of the agencies and all of the departments. We have tried to put together—and I think we have in the White House, in the Administration—a good team, and I think the team will work together. And I can assure everybody that there is no place for any “lonesome ends” as far as this Administration is concerned.

So, Jim is a part of the team in charge of a very vitally important agency of the Federal Government. And so it is my privilege and honor, on this occasion, to participate in the swearing-in ceremony of an outstanding young man who has done extremely well in every responsibility that he has assumed in the Federal Government. And so, Jim, I wish you the best, and I know you have taken a pay cut, but you will make up in energy the loss of compensation.

NOTE: The President spoke at 8:45 a.m. in the Cabinet Room at the White House. William H. Rehnquist, Associate Justice of the Supreme Court, administered the oath of office.

Director Lynn's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 168).

82

Address Before the Houston Chamber of Commerce Conference on Energy and the Economy. February 10, 1975

Mr. Walbridge, Senator Tower, Congressman Archer, other Members of the House of Representatives who are here, Mayor Hofheinz, Secretary of the Interior Rogers Morton, Mr. Alan Greenspan, the Chairman of the Economic Council, and Mr. Paul O'Neill, the Deputy Director of the Office of Management and Budget, ladies and gentlemen:

Let me thank you from the bottom of my heart for the opportunity to come here to your great city of Houston to discuss the complex problems that are facing all of us. And there is no doubt that energy and the problems of our economy are extraordinarily complex.

This is the second trip in the last week from Washington to very important parts of our great country—Atlanta last week, Houston today, Topeka, Kansas, tomorrow.

I am meeting with the Governors of a number of States in this area this evening, and I am meeting with members of the news media, publishers, editors, tomorrow morning before shoving off for Kansas.

The message that I am going to bring you today is a very complicated one, but I think we have reached the metallic stage of the energy crisis—I emphasize “the metallic stage.” We have to look for the silver lining in the energy problem; we must consider it a golden opportunity to achieve self-sufficiency; and then, I might add, we have to get the lead out. [*Laughter*]

America must face the challenges of the 21st century today, to live and act ahead of our times. Rapidly changing circumstances at home and abroad demand, in fact they insist, that we do so. We must redefine our direction as a nation and our priorities as a people. It is imperative to embark on new courses, to set new precedents, to create new policies, and to chart America’s future with a new spirit of national determination and national urgency.

Now is the time to make energy an urgent priority before it becomes our number one problem. It is already a significant contributor to the present number one problem, which is inflationary recession.

Less than 10 years ago, in the late 1960’s, the United States had sufficient surplus capacity to prevent any sharp increases in the world petroleum market. We were invulnerable to foreign disruption of our critical energy needs. But the control of that market has moved from here in the Texas Gulf area in this country to the Persian Gulf and other oil-producing nations.

During this same period or span of time, our energy consumption grew rapidly at the rate of 4 to 5 percent per year. Yet, despite the increasing demand, U.S. petroleum production peaked in 1970. And it has, unfortunately, declined ever since.

The energy industry here at home did not have sufficient incentive to increase production. Our domestic energy supply has seriously deteriorated. Natural gas has been consumed faster than new reserves have been developed. Coal production still equals only 1930 levels. Nuclear power has been beset by technical and environmental problems. Many electrical utilities are in very severe financial straits.

Foreign oil has filled the gap. It now furnishes about 38 percent of our domestic consumption at prices that have quadrupled in the past year. Thus, when foreign supply was cut off during the 1973 embargo, we had no excess domestic

production to fall back on. Our gross national product dropped substantially. Nearly 300,000 people lost their jobs at the height of the embargo. The impact could have been far more severe if it had continued any longer.

This presents us with the following problem: We must take immediate and resolute action so that we can insulate our economy against the disruption which a new embargo could create. The risks in terms of unemployment and economic damage are simply far too great.

There are those who promise more jobs if we would just import more foreign oil than I have proposed. They say, in effect, pay the higher prices to the oil-producing countries and bring in more foreign energy than the President plans, because that will create more jobs and lessen inflation. It is my sincere judgment that that is an empty promise.

The facts, as I see them, are as follows: The longer we take to protect ourselves against embargoes, the more vulnerable our economy becomes to foreign decisions beyond our control. Each year we have been increasing our dependence on foreign energy sources. Each year we lose more jobs because we are sending overseas the money we are paying for additional and higher-priced oil. That money, which has increased fourfold, is lost to investment in our domestic economy. So, we will not create more jobs in America by paying more money to the Arabs and other oil-producing nations.

Future embargoes would be substantially more damaging to our economy than the last one, because we are now even more dependent than a year ago. Those who propose no action now hope there will be no future embargoes. I must add, however, they offer no guarantees of security and, obviously, cannot do so. This is a little like saying that a man with a very large family needs no insurance. I assure you that the United States is a very large family, some 213 million Americans, and as President, I do not wish to take that gamble, the risk, the danger—they are far, far too great.

We cannot play games, as I see it, with our total economy in the hopes of boasting about limited winnings that are not at all certain. This bet-a-million philosophy—that we can continue to import the entire million or a significant part of the million barrels that I propose to cut back—is a very high risk and, in my judgment, a reckless gamble.

Instead of betting on what foreign sources may do, we should put our money on what Americans can do and what Americans will do. If we offer sufficient incentives, American enterprise here at home will solve our energy problems.

Because of our present dependence, we are confronted with these two critical problems: First, the effect on our national political and military security; and,

secondly, the severe strain increased petroleum prices have caused, not only to our economy but those of the world's industrialized nations.

As I have indicated, America is not in control of its energy destiny right now. Price leadership has shifted to the Arab nations and to other members of the Organization of Petroleum Exporting Countries. I am determined that American independence in energy be restored. We must never again be forced to pay the cartel-manipulated, inflated prices of foreign oil.

However, we must pay a price now to insure a more reasonable price for our oil in the future. And that price is what it will cost us to produce American oil on American soil—right here in the State of Texas, in Alaska, in the Outer Continental Shelf, and elsewhere within our territorial limits.

Now, some people in Washington do not seem to recognize the need for incentives in the marketplace, but we must, in my judgment, have sufficient incentives in the marketplace to increase production. Unless we create incentives, we will be settling for dependence on other nations.

Personally, I am very sensitive to the dramatic cost increases in domestic oil and gas exploration and development. The facts, as I understand them, are just about the following: In the last 12 to 18 months, the cost of drilling a well has gone up 100 percent or more. With those facts in mind, I think we have to understand the need for incentives. I have seen estimates that the petroleum industry might budget as much as \$26 billion for capital spending in 1975 on expansion projects throughout the country to help boost our energy supply. However, many of the proposed projects may never see the light of the day if the Congress fails to act on legislation that I have requested.

I have proposed a very comprehensive energy program. It is not a program that is without cost or without sacrifices, but it is a program that will keep costs and inequities as low as possible, still achieving our objective of energy independence.

I suspect in this room many of you may not support all of what I have proposed, but as I must say again, I have seen no better program proposed. And let me illustrate, if I might, my program and what the Congress has been working on so far since January 14, when they reconvened.

Here is a copy of the bill put together by myself and my advisers, 167 pages of a comprehensive program to increase supply and to conserve in the utilization or importation of foreign oil; 167 pages, leaving out, because it is traditional in the Congress, the specific recommendations of any tax changes. But the title of the bill, I think, is important: To increase domestic energy supplies and

availability, to restrain energy demand, and to prepare for energy emergencies and for other purposes. One hundred sixty-seven pages.

Now, I have in my hand here the bill the Congress has been working on since January 14: four pages. And let me read the title of what Congressional action calls for: To suspend, for a 90-day period, the authority of the President under Section 232 of the Trade Expansion Act.

I ask you, in all sincerity, which makes more sense: a program that is comprehensive, put together for the purpose of conservation and for increased production, or a piece of legislation of four pages suspending the power of the President to do anything about the problem?

It is so patently obvious to me that a program and a plan is needed, not a step backward. It is quite obvious, I should say, that in my judgment, my program is far superior to any system of allocations, of quotas, or rationing. And that is what we have heard from the Congress most of the time thus far—either allocations, quotas, or gasoline rationing.

I don't think allocation or rationing can be fair and equitable to the consumer. Neither one can stimulate energy independence. They cannot produce 1 barrel of oil, not 1 gallon of gasoline. Furthermore, such a program would be administratively burdensome, substituting bureaucratic judgment for the interplay of the free marketplace. It would be costly—about \$2 billion a year according to some estimates I have seen—just to administer.

In short, I think it would be a very serious mistake not to make maximum use of the marketplace to achieve our national goals. There is no doubt, in my judgment, it offers the best and the most equitable solution. The promised land of allocations and rationing would turn out to be a jungle, a jungle of redtape, bureaucratic judgment, inequities, and other problems.

And speaking of rationing, let me just mention a fact or two: The proponents of rationing seek to create the impression that it would just be a 6-month or a 12-month rationing program of gasoline. If we are going to lick the energy problem in this country, it has to be a 5- or 10-year program. So, what our public would have to understand is that a gasoline rationing program would involve a 5- to 10-year gasoline rationing program and, yet, it would not stimulate production.

Everybody, of course, when they talk about gasoline rationing, understandably believes that he or she will get all of the gasoline that they think they deserve, and everybody else will be called upon to make a sacrifice. Well, the facts are there will be, if we get into gasoline rationing—over my dead body—then we would have 140-some million licensed automobile drivers in the United States, and that we have 290-some million gallons of gasoline per day. What does that

amount to, if you just divide it equitably? Not many people in this country, and very few in Texas can go very far in their daily chores or their work on what, about a gallon and three-quarters a day?

Well, I just hope that the good people of Texas and the surrounding States in this part of our great country won't succumb to what some say is an answer to the energy problem. Gasoline rationing is about the poorest answer that I can imagine.

Thus far, as I have read and heard the debate, the energy debate in the Congress has focused mostly on oil. This, as you well know, oversimplifies the problem. Our energy difficulties involve much more than oil. One of our most important energy sources, and the most acceptable from an environmental point of view, is natural gas. Despite the pluses of natural gas, let us consider for a moment the very sorry history of natural gas policy in the United States.

Over the past 20 years, the Federal Power Commission has set the price at the wellhead for natural gas sold in interstate markets. Since supplies in the early days seemed ample, the emphasis by Federal regulators was placed on minimum prices to consumers. Natural gas prices were held to artificially low levels. Real prices for natural gas fell throughout the 1960's; demand for natural gas doubled between 1957 and 1972. Not surprisingly, the rate of exploration and development on new gasfields dropped off.

A further distortion of natural gas markets resulted when producers kept natural gas supplies inside their respective States, where they were not subject to Federal regulation—under a restrictive statute—and where prices are set by supply and demand. This intrastate market has contributed to the completion of a greater number of gas wells. All of this, of course, leads to the conclusion there must be an incentive to find and develop new natural gas supplies. To do this, we must cease Federal regulation of prices on new gas for interstate use.

Supplies to current consumers are being rapidly and very drastically reduced in relation to market demand. Major interstate pipeline companies, in the year ending March 1973, fell short of meeting contract requirements by some 925 billion cubic feet of gas. In the year ending March 1974, the short fall was estimated at 1,200 billion cubic feet. That is comparable to 200 million barrels of oil. The entire country is affected by these reductions in deliveries, now running at a rate of well over 100 percent more than the 1973–1974 heating season curtailments.

I am told by some of my shortsighted Members and friends of the Congress and others that there is no urgency in this matter. I wish that were true, but the facts are otherwise. The facts are that one of the Nation's most pressing energy problems is a real and increasingly serious shortage of natural gas. Unless our

natural gas policy is changed by Congressional action, we will be faced in a short time with hard choices on supplying either homes or industries across the Nation.

And in this bill that I put together with the help and assistance of my White House and departmental aides, we have a proposal for the deregulation of natural gas. Right now, because of natural gas shortages, I have read horror stories of factory closings and lost jobs. This is true in a number of our east coast and Northeastern United States States. I keep telling the Governors up there, why don't they help us get some votes in the Congress and they won't be faced with these kinds of problems.

Well, it took the Congress 4 years—as Secretary Morton knows—to pass the Alaska pipeline bill. On April 18, 1973, almost 2 years ago, Congress was asked to deregulate new natural gas. Only one House of the Congress, the Senate, even bothered to hold public hearings. I personally have sent three special messages to the Congress pleading for this legislation. I regret that nothing has happened affirmatively.

Well, in sum, the Congress has done virtually nothing about natural gas policy for the past 2 years, much less come up with a plan to meet the expected shortages. This Nation cannot remove the insecurity of our dependence on foreign sources of oil while we consciously hold back assistance to producers right here at home, producers who help make us secure and independent. We simply must have capital investment if we are to discover new sources of oil and new natural gas, and if we are to put people back to work solving our problems. We will not get help from anyone except ourselves. Quite frankly, the future of this country is in our hands.

The United States will not bring about lower world oil prices without some evidence of seriousness of our intentions. The United States will not rally our allies to stand with us in solving the international problems unless we offer some evidence of the seriousness of our intentions. And I might say parenthetically here, removing the power of the President to force Congress to act isn't very good evidence of the seriousness of our intentions.

The American people will not believe there is an energy crisis unless the President and the Congress offer some evidence of the seriousness of our intentions, and I can assure you without hesitation or qualification, I will continue to demonstrate the total seriousness of my intentions.

As I said in my State of the Union Message to the Congress on January 16, I believe in America's capabilities. In the next 10 years, I envision 200 major nuclear powerplants, 250 new coal mines, 150 major coal-fired powerplants, 30 major new oil refineries, 20 major new synthetic fuel plants, the insulation

of 18 million American homes, the construction of millions of new automobiles, trucks, and buses that will use much less fuel, and finally, the drilling of many thousands of new oil and gas wells.

With the money we spend in one month on imported oil, I am told that we could drill the equivalent of 18,000 onshore wells or about 3,000 offshore wells.

We are all in this together. Each of us has a contract with this country. Each of us must make good on the key clause in that agreement which deals with responsibility. As you well know, there is a price for everything, whether it be independence from tyranny or freedom from dependence. It is important that we have this freedom from dependence on others for the resources that we need.

Idealism and realism do not contradict one another. The American people have always been idealists. It is now time to show ourselves and the world that we are also realists.

In another time of crisis, during World War II, the oil and gas industry increased its production by 20 percent with an investment of nearly \$5 billion. This industry expenditure was the equivalent of two and a half times the cost of the Manhattan Project that developed the atomic bomb. A far greater commitment is needed today, and the Government cannot begin to do it alone.

One of the fundamental principles of democracy is that decision, direction, and deed do not come down from rules and regulations and bureaucratic paperwork, but up from the millions of its citizens.

I ask and literally pray that you have courage and confidence and come with me to face the challenges of America's third century. I call on you for a rebirth of that great American spirit. It is really a very noble call. It is the call, it is the challenge for solutions now to the problems of the future.

Thank you very much.

NOTE: The President spoke at 3:04 p.m. in the Emerald Room at the Shamrock Hilton Hotel. In his opening remarks, he referred to Willard E. Wal-

bridge, senior vice president of the Capital Cities Broadcasting Corporation in Houston.

83

Remarks on Arrival at the Kansas State Capitol in Topeka.*February 11, 1975*

Governor Bennett, distinguished members of the State legislature, all of you wonderful people from Kansas:

I have had a wonderful ride in from the airport with one of the most outstanding citizens in our country today, a man who has given so much in good advice and good leadership, your former Governor, Alf Landon. And I want to thank him for coming and welcoming me.

It has also been a great inspiration to come in with one of your outstanding statesmen, Jim Pearson, your United States Senator, who represents you so well in the Nation's Capital.

But the thing that has impressed me from the moment I landed in Kansas has been the warm reception from the airport to here, and this crowd is unbelievable. And I can't thank you enough for being here and giving me this wonderful reception.

And I am told that for the first time in Topeka history, that Topeka West, Topeka High, and Highland Park bands are all playing together. That kind of cooperation, that kind of unity is what we need in America today.

You have a great State. I came here to Kansas to meet with the legislature, to meet with a number of Governors, because we have to work together to make America a better and better place to live.

We do have a few problems, but those problems are soluble, those problems can be met and challenged, and with this kind of tremendous enthusiasm, good will, and cooperation among all of us, we will make America the place that we want it to be: free, strong leadership throughout the world.

I thank you very, very much.

NOTE: The President spoke at 11:56 a.m. on the steps of the State Capitol.

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**Address Before a Joint Session of the Kansas State Legislature.
February 11, 1975**

Mr. Speaker, President of the Senate Rogers, Governor Bennett, Senator Pearson, Judge Fatzer, distinguished members of the State legislature:

It is a very high honor and a very great personal privilege to have the opportunity of joining you here this morning.

And may I thank all of you as I thanked the many thousands out in front. It is great to be among people who are friendly, who look forward. It just is a great thrill, and I thank you and I thank them.

Naturally, I am proud to be here in the great State of Kansas, where people seem to have a very special regard, not only for the rights of citizenship but the responsibilities as well. I understand that 68 percent of the Kansas electorate went to the polls in November, as against a national average of slightly under 40 percent. And so, let me take this occasion to salute the concerned citizens of your great State of Kansas. It is a great privilege and a very high honor for me to be in a State where voting isn't considered a spectator sport.

Ever since I was a youngster, I have had a very special feeling for Kansas, because Kansas is where Dorothy lived before she went to visit the wonderful land of Oz, where all kinds of strange, whimsical, and unexpected things happened. But I am beginning to think that if strange, whimsical, and unexpected things were what Dorothy was really interested in, she wouldn't have gone to Oz. She would have gone to Washington, D.C. [*Laughter*]

Thank you very much for the opportunity of saying a few words before this joint session of the Kansas State Legislature. I would like to thank my very good friend, Governor Bob Bennett, my former colleagues in the Congress, Senators Jim Pearson and Bob Dole, my other associates of former days in the House of Representatives, for urging me to attend this occasion. Their advice has helped me to open up a new phase of my effort to mobilize our country to meet the economic and energy challenges that are on our doorstep.

In less than an hour, I will be meeting and talking with a gathering of Midwestern Governors on these two very vital subjects. Later this afternoon, I will have the privilege of meeting with my friends of the press for a televised news conference.

But this event, here in your beautiful and historic State Capitol, brings another

vital factor into play. I refer, of course, to the legislative branches of our State governments.

There is no doubt about it. America faces very, very grave challenges today. And I have been very frank—you might even say somewhat blunt—in describing the seriousness of our economic situation to our people throughout the country. I feel, as I am sure you do, that they deserve the unvarnished truth. And for far too long in America, they have been given some sugar-coated reassurances while pressing problems went untended.

As many of you know, I have always believed in action rather than rhetoric. I have offered the Nation an action program to fight an inflationary recession, to tackle the energy crisis, to create jobs, and to foster economic stability. I don't pretend that my plan is perfect. But it is a plan. And so far, no one has come forth with a better idea. There have been critics; we expect that, those of us who have been in the political arena for a few years. There have been questions, and we expect those questions. But no one has put forth a comprehensive, workable alternative.

I think I can speak quite frankly to a group of legislators. Here is a copy of the various recommendations incorporated in one bill for the solution of our energy program: 167 pages. The title is: To increase domestic energy supplies and availability and to restrain energy demand and to prepare for energy emergencies and for other purposes.

This piece of legislation is the result of many hours of hard work by people in the executive branch and many hours of hard work by myself, but it is a comprehensive plan to meet the problem of vulnerability to foreign sources of oil.

This is before the Congress. I regret to say—and I say it with sadness—the Congress has been working on this piece of legislation, four pages, and the purpose, according to the title of this bill, is to suspend for 90 days the authority of the President to act.

Now, it seems to me that the American people want something that is a plan for forward-moving action rather than a four-page bill to move backward. And I say, in the strongest voice that I can and with the deepest conviction that I have, the Congress ought to be working on this instead of wasting their time on this. We need action. We can't tolerate moving backwards.

I said a moment ago, this may not be perfect, but it is a plan to save energy, to stimulate additional production for a wide variety of sources of energy, and I think the American people want something like this rather than a four-page bill that goes backwards, not forwards.

So, what I am saying to you is, as we move ahead, I hope the Congress will abandon what they are doing and join with me in working together in a positive way to solve America's problems. And I ask for your counsel, your suggestions, and ultimately, your support. And the sooner we act, the better it will be for Kansas as well as the other 49 States.

Consider, for example, the impact that further delay in the energy field will have on farmers here in your great State as well as other agricultural States. Unless we start now to achieve energy independence, the American farmer will grow more and more dependent on the foreign oil cartel for the energy products that the farmer needs to sow and to reap his crops. His costs, his profits, and his productivity will be at the mercy of a foreign force or a combination of them.

The farmer would be trapped between growing pressures for lower food prices in the marketplace and higher costs from his energy suppliers. Any way you look at it, this is a no-win proposition for the American farmer, and that is one of the reasons why I am so adamant about our need to act now on the energy front. We can't let things slide away any further. We have waited far too long already.

At the same time, though, I recognize that the farmer may well be concerned about the immediate impact the energy program that I suggest will have on his operations. In the short term, our conservation taxes on foreign oil will raise his energy costs. I can understand, as a consequence, his concern. And we intend to do something about it.

In the State of the Union Message that I gave to the Congress on January 15 and in my subsequent television address to the Nation on the economy, I stressed that no industry, nor any geographical area would be allowed to suffer a disproportionate burden of the energy program. And this promise and pledge definitely applies to the American farmer.

I renew that pledge today. As long as I am President, the American farmer will receive the fuel he needs to do the job for 213 million Americans and many others throughout the world. I will not let the American agriculture run out of gas.

As a tax relief, the result of increasing the investment tax credit from 7 to 12 percent will be a savings of some \$360 million for America's farmers and ranchers.

I have also instructed the Federal Energy Administrator, Frank Zarb, to design for the agricultural community a rebate program to compensate the American farmer for increased energy costs caused by our conservation program. We will be announcing the details of this program within the next several weeks.

But I wanted all of you in this great State to know now that this problem is at the very top of my list of concerns as well as yours.

Let me give you another clear case where energy action is needed that can materially benefit the people of Kansas. As you know, the demand for nitrogen fertilizer has begun to outpace its supply. The reason is very simple. Under the current and outmoded regulatory system, natural gas suppliers have no incentive to increase or even maintain adequate production and distribution. Thus far this year, natural gas curtailments have already resulted in the loss of about 140,000 tons of nitrogen fertilizer. Estimates for total loss during the year range from 200,000 tons to 400,000 tons.

To give you an idea of how important this is, a loss of 200,000 tons, if it were all concentrated in corn yield, would reduce the 1975 crop by about 160 million bushels, or about $2\frac{1}{2}$ percent of the total corn crop.

I think we should head off this problem before it gets out of control. And the way to do it is to deregulate the price of new natural gas in America. But to do this, quite frankly, I will need your help. I will need the support of public opinion and, ultimately, the agreement of the Congress.

I could give you word and verse of how hard we have tried to get the Congress to move in this area. But unfortunately, thus far, no action has materialized. It is a part of that legislative program that I submitted. It is a vital part. But if we are going to get the kind of nitrogen fertilizer that I mentioned a few moments ago, we better deregulate natural gas, and the sooner the better.

Now, I would like to announce an important action that I am taking in response to the request of many Governors. Last week, I met with a number of Governors in Atlanta, Georgia. Last night, I met with another group of Governors in Houston, Texas. And I will have the privilege and the honor of meeting with some additional Governors here this afternoon.

The ones that I have met with have pointed out to me that owing to the softness in the construction industry, they as Governors will be able to accelerate work on our highway system at lower cost than in the recent past. Accordingly, I have ordered the release of up to \$2 billion in additional Federal highway funds.

The Governors have assured me that these funds are needed and can be put to immediate use in highway construction projects that can be underway by June 30, 1975. This action will help an industry that has been one of the hardest hit during our current economic turn-down. In reaching this decision, I considered that authority is already available in the Highway Trust Fund.

Now, I have urged State governments to focus these additional funds, first, on

projects that will produce meaningful jobs; second, on improvements that will enhance highway safety; and third, on projects that will complete key links in our interstate system.

Priority—and I add this as a very important part of the recommendation—will also be given to urban mass transportation projects which State and local officials agree should be substituted for less critical highway projects.

Now, solving our problems, as I look down the road, will not be easy. But I would remind you of something that a man from Abilene, Kansas, one of the greatest men that Kansas ever produced, once said, and I quote: “Free men do not lose their patience, their courage, their faith, because obstacles are mountainous, the path uncharted. Given understanding, they invariably rise to the challenge.”

Dwight Eisenhower knew this was true, and he proved it as a gallant commander during World War II and as President of the United States.

And he had something else to say about American history and the American character that I believe bears repeating today, when we are hearing so much from prophets of doom and gloom. And here is what Ike had to say in this regard: “It has been the tough-minded optimist,” Ike said, “whom history has proved right in America.”

This was true in Ike’s time and it is true in ours as well.

I am a tough-minded optimist. And may I reciprocate by saying, as I look at this chamber, I know that each and every one of you, as well as you collectively, are tough-minded optimists as well.

I believe in America, as you do. I believe in America’s future, as you do. I am confident that you, joined with me in this great challenge that we face both at home and abroad—we are optimists, we are strong, we have a faith, we are dedicated. And I simply conclude by saying we can do the job together, and I am honored and pleased to have had an opportunity of being with you here on this fine occasion.

Thank you very, very much.

NOTE: The President spoke at 12:09 p.m. in the House Chamber at the State Capitol, Topeka, Kans. In his opening remarks, he referred to Duane S. McGill, speaker of the house of representatives, and

Richard D. Rogers, president of the senate, Kansas State Legislature; and Harold R. Fatzner, chief justice of the Kansas Supreme Court.

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The President's News Conference of *February 11, 1975*

THE PRESIDENT. Won't you please sit down. And before responding to the first question, I do wish to thank Governor Bennett and the other Governors who were here with me in Topeka. I wish to thank the people of the State of Kansas and, particularly, the people in the Topeka area for the very wonderful and very warm reception. It has been a very good day.

Mr. Morgan [Ray Morgan, Kansas City Star].

THE MIDDLE EAST

[1.] Q. Mr. President, your energy and economic concerns will go down the drain for naught if we have war in the Middle East. Could you please give us your latest information on Dr. Kissinger's negotiations in the Middle East and whether or not you think there is the possibility of a quick settlement in the wake of those negotiations?

THE PRESIDENT. Mr. Morgan, the Secretary of State left Sunday night for a most important mission in the Middle East. He will be gone approximately 10 days, visiting a number of Arab as well as Israeli—and he will be more or less on an exploratory mission. We believe that the possibility exists for a step-by-step progress in the Middle East, but no one can be certain in that very volatile and very difficult area.

The Secretary of State will come back, hopefully, with some encouraging news. And then, if the news is encouraging, he will probably go back shortly thereafter for what we would hope would be a settlement on a step-by-step basis.

It is my judgment that unless progress is made, there is a very serious prospect of another war in the Middle East which, if it did occur, of course raises the possibility of another oil embargo. I would hope that by the Secretary of State's efforts that we can make this progress, avoiding another conflict and avoiding the prospects of another oil embargo.

The Secretary of State has my full backing. I think we are fortunate to have a person with that knowledge, that dedication, and that record of success. So, I am an optimist. But it is a difficult assignment, and I think he deserves the full support of the American people and the Congress, because it is in our benefit and the world as a whole.

ENERGY PROGRAM

[2.] Q. Mr. President, a number of Republicans as well as Democrats—Arthur Burns, for one—have raised serious questions about your energy program. I wonder if you, at any point, ever have any second thoughts yourself about it.

THE PRESIDENT. Mr. Cormier [Frank Cormier, Associated Press], I don't have any second thoughts about it. I concede that in putting this program together—and here is a copy of the bill, 167 pages—that I had to make some very difficult decisions. All of the decisions were not easy; there were some gray areas. But at least it is a program. And it is my strong feeling that if there is a better program, Congress should come up with it. So far, they have come up with no program.

So, as long as I have something that is affirmative, that I think meets the problem head on, I have no regrets about proposing it to the Congress and to the American people. I welcome any suggestions that are constructive. I welcome an alternative program or plan, if one can be put together by the Congress. But I will not tolerate delay; I will not tolerate inaction. It is my judgment that the crisis is far too serious, that the need is very obvious, and therefore, I intend to continue trying to give some leadership for a solution to our vulnerability to foreign oil cartels.

HIGHWAY CONSTRUCTION

[3.] Q. Mr. President, without diminishing your attempt to do that, is there an inconsistency, do you think, in your proposal to conserve energy by increasing, in effect, its price, presumably for gasoline as well and, at the same time, releasing \$2 billion in highway funds today to build more highways so we can drive more?

THE PRESIDENT. I think that is a good question, but I think there is a good answer. The reason I released \$2 billion to the States for the construction of additional highways was because over the last 10 days or 2 weeks I have met with a number of Governors, Democratic and Republican, and all of them, more or less, assured me of the following:

Number one, that in most cases they had State funds that could be used right away, and they—or most of them—have promised me that if I did release this \$2 billion for highway construction, that they could get bids and have the contracted work underway within a few months.

We all know that the highway construction industry is depressed. We know that unemployment in the highway construction industry is very high. We

know that better highways save lives. We know that highway construction jobs are meaningful employment. We think that this program, when it gets underway, will provide roughly, both direct and indirect, about 140,000 or more jobs. We think that the promotion of safety, employment, the utilization of State matching funds, and the opportunity to get action justifies what I have done.

And it seems to me that there is no inconsistency in doing this at the same time we are trying to conserve fuel, because better highways save fuel. And furthermore, it could have a favorable impact in giving to States as well as to local communities the right to use some of the money, some of the money for mass transit, which is an energy saver, a fuel saver.

ANTIRECESSION MEASURES

[4.] Q. Mr. President, your Press Secretary says that you are considering new emergency measures if the recession worsens. What are these new measures, and what would trigger the new initiatives—what developments? Specifically, how high would unemployment have to go?

THE PRESIDENT. Congratulations on your new success in joining the Gridiron Club.¹ [*Laughter*]

Q. Answer the question. [*Laughter*]

THE PRESIDENT. You made it unanimously, too.

Well, to answer your question, the action that I took today, I think, is constructive. It is an effort at the request of a number of Governors to move in an area where they think some beneficial results will accrue. It is a response to a particular situation.

I think it is important to maintain, basically, my deep concern about an acceleration of Federal expenditures at the present time, but at the same time being cognizant of unique circumstances, which I think this was. And if and when other such circumstances arise, I will be willing to take a look at them and make an honest judgment as to whether they are helpful or harmful.

UNEMPLOYMENT

[5.] Q. Well, Mr. President, may I ask you: Mr. Meany says that unemployment could go as high as 10 percent. Is that true, and if not, what assurances can you give that it will not?

THE PRESIDENT. Well, I watched my good friend, George Meany, on Sunday

¹ The questioner, Helen Thomas of United Press International, had recently been elected the first woman member of the Gridiron Club.

when he pulled that figure out of the air.² I think Mr. Meany, I might say parenthetically, will approve of my release of \$2 billion in highway construction funds, because he has repeatedly said that these people have a high unemployment rate, these people are skilled craftsmen, and such a program would help get some of them back to work.

But we don't foresee a figure as high as that forecast by Mr. Meany. As a matter of fact, we are convinced—with the tax reductions that we have proposed and that I think the Congress will approve—we believe with the other actions that we are taking, unemployment, the rate of unemployment will gradually go down at the end of 1975 and be improved in 1976.

ENERGY PROGRAM

[6.] Q. Mr. President, in view of your answer to Mr. Cormier, in your talks at Houston and here today, did you hear any convincing arguments that might make you modify your energy proposals, and if so, which and how?

THE PRESIDENT. There was one question raised by individuals both in and out of government, both in Houston as well as in Topeka, about one provision. And that is whether or not, as a part of the windfall profits tax, there ought to be a provision for a plowback—which means that if a company derives revenue from their oil and gas developments, could they plow those revenues back into further exploration and development and thereby avoid a tax on those revenues or those profits.

This was a very close call at the time I made the decision when we put this program together. The Congress is in the process—or I hope it will soon be in the process—of taking up my energy program. There ought to be ample opportunity for the proponents and the opponents to state their views and convince the Congress one way or another.

I can understand some justification for the plowback provision. I don't think it is a serious change in my proposal, but I will point out to the Congress that if they incorporate the plowback provision, it will probably mean a loss of about \$3 to \$4 billion annually in tax revenues to the Federal Government, and if so, there will be less money to return to energy users than the figure that I have recommended.

But there is, on the other hand, a good argument that a plowback provision might stimulate more production, so it is a very close call. And although I favor

² AFL-CIO president George Meany had appeared on CBS News' "Face the Nation" on February 9, 1975.

what I have recommended, I can understand the reasons for the plowback provision.

ENERGY CONSERVATION

[7.] Q. Mr. President, voluntary conservation still seems to be a weak hope in the program and to some of us more skeptical. Does it still rate a high priority with the Administration, and if it does, do you see the need for any more restrictive plan?

THE PRESIDENT. I think you have to have voluntary cooperation from 213 million Americans. I think their affirmative participation is very vital. On the other hand, it seems to me that we need stronger action, and that is why I have recommended to the Congress this comprehensive program and this, I think, very fair and equitable effort to get some action.

This program has four basic foundations: number one, conservation by the price mechanism; number two, added supply by stimulating exploration and development; number three, equity in the return of tax money to people, to business, to States; and number four, security. This program gets America going in making us invulnerable against foreign oil cartels. And yet, we do need voluntary cooperation at the same time.

JOHN CONNALLY

[8.] Q. Mr. President, you have tried to set, in writing, standards of ethics for members of your Administration. I want to ask you about your meeting last night in Houston with former Texas Governor John Connally, who, as you know, is under indictment.³ On second thought, do you think there might be anything improper for the Nation's chief legal officer to meet with a man who is under indictment? We know that you did not discuss that indictment with him; we were assured of that by your Press Secretary.

THE PRESIDENT. Let me say, very categorically, I have known former Governor Connally for a great many years. He was appointed Secretary of the Navy by former President Kennedy. He was elected Governor of Texas on three occasions and served 6 years. He was Secretary of the Treasury under Mr. Nixon. He is a very knowledgeable public servant. It seems to me that with a man of that

³ On July 29, 1974, Mr. Connally was indicted on charges of bribery, perjury, and conspiracy to obstruct justice in connection with an effort to raise milk price support levels while he was Secretary of the Treasury in 1971. He was acquitted of the charges in the U.S. District Court for the District of Columbia on April 17, 1975.

vast governmental experience, at the State as well as at the Federal level, the things that I discussed with him could be very helpful to me.

I see no conflict whatsoever. Mr. Connally has been indicted, he will get a fair trial, and I shouldn't comment on the outcome. But until he has been convicted, I think it is very appropriate for me to meet with him to discuss matters involving the Federal Government, both domestic and foreign policy.

Q. Sir, may I follow that up? Would you have any objection if members of your Justice Department were to meet privately with persons who were under indictment in cases that were being prosecuted by the Justice Department?

THE PRESIDENT. I don't think that people in the Department of Justice who have the responsibility of actually carrying out their responsibilities as prosecutors—I think there is quite a difference. They make the judgments as to prosecution; my position is not exactly that. And my reason for meeting with former Governor Connally, former Secretary of the Treasury, was to discuss non—or no matters involving his present legal difficulties.

FEDERAL FARM ASSISTANCE

[9.] Q. Mr. President, I would like to turn to the timing of your farming programs for just a moment. The farmers here in Kansas say they are suffering now from increased operations costs and also from a depressed market that they blame on export controls. Some western Kansans are even considering abandoning their crops that are in the ground now. So, if your plan doesn't take effect until the first of the fiscal year, do you have some emergency alternatives to help Kansas farmers?

THE PRESIDENT. Well, I think the thing that might be helpful is the decision that has been made to, in effect, eliminate any monitoring of foreign sales of American agricultural commodities.

I did impose a monitoring system, not export controls, on the sale of American agricultural commodities about 4 months ago, when there were these several unexpected, very sizable sales to the Soviet Union. But we have found that our agricultural reserves are fully adequate. We have found that the crop forecasts, particularly in winter wheat, are very encouraging. And therefore, I have, in effect, removed the monitoring system.

It seems to me that the American farmers are the kind of good Americans that will produce, because I happen to think they will not only have a good market, which they have today, but they also are good Americans in that they know what they produce will help us in our balance of payments and our humanitarian efforts on a worldwide basis.

Q. If I could follow up on that just a second. There is still going to be a time lag, though, on the increased operation cost. Is there something you are going to do to help them out on that?

THE PRESIDENT. Yes. We discussed that with several of the Governors, both in Houston as well as here today, and Mr. Frank Zarb, the head of the Federal Energy Administration, has promised that there will be some beneficial relief given to American agriculture under my energy proposals.

DEFENSE AND DOMESTIC PROGRAMS

[10.] Q. Mr. President, I am Dennis Farney with the Wall Street Journal. You have been talking in terms of wanting to compromise with the Democratic Congress, and yet your major proposals have been quite provocative. You want to increase Pentagon spending and cut back on spending for some popular domestic programs, which is about the opposite of what the Democrats want to do. Aren't you really picking a fight with Congress and preparing the way for a possible campaign against Congress in 1976?

THE PRESIDENT. I can't believe that the majority of Democrats in the House and Senate are going to weaken our national defense program by gutting the requested appropriations for the Army, Navy, Air Force, and Marines.

The Democrats that I know in the Congress are just as dedicated to a strong national security program as I am, so I don't think this Democratic Congress will undercut our national security efforts. They will make some changes, but I don't think—I certainly hope they won't gut the Defense Department.

Now, I have made some recommendations to cap, not to cut back, programs aimed at helping people. As a matter of fact, in the budget that I submitted, the Defense Department gets only 27 percent. The domestic programs that you mention get about 44 or 45 percent of the total expenditures out of the Federal Government.

So, I think we have come to a pretty good balance. And I think the Democrats, when they look at the budget for fiscal 1976, will realize that there is a good balance. And I think they will go along to a far greater degree than what might appear to be the case at the present time.

ENERGY PROGRAM

[11.] Q. Mr. President, just how much headway do you consider you have made for your energy proposals with the Governors in the three regional meetings you have had with them so far? ⁴

⁴The President met with Governors of the Northeastern States at the White House on January 23, 1975, (Item 42), the Southeastern States in Atlanta, Ga., on February 3, and the Midwestern States in Topeka, Kans., on February 11.

THE PRESIDENT. Well, there is some good news and some bad news. I think we have made more headway than if I had stayed in Washington and written them letters. I think they now understand the program, which was a major reason for my meeting with them individually in 3- and 4-hour sessions. I think they have a better understanding of the program, and there is more support now than there was before.

I don't hear many Governors calling for gas rationing, which shows very good sense. I don't hear many Governors calling for arbitrary allocation, because they realize, as I do, that arbitrary allocation or quotas—they would be the most harmful method of achieving conservation and would have a terribly depressing impact on our economy.

So, they understand the program. Therefore, I think they are more supportive, although some of them have some reservations about a part here and a part there.

I must say that I did not hear a single Governor, in all the ones I met with, who endorsed what the Congress is trying to force on me. The Governors understand you have to make progress, and they know that this bill that the Congress is working on is a bill that is a backward step. So, even though they may have some reservations about a part here and a part there in my program, I think they are more for this than they are for what the Congress is allegedly working on.

PRESIDENT THIEU OF THE REPUBLIC OF VIETNAM

[12.] Q. Mr. President, I understand that your advance planning schedule shows a tentative visit by President Thieu to this country in late April. Can you tell us if you are seriously considering such an invitation and why?

THE PRESIDENT. Well, Mr. Beckman [Aldo Beckman, Chicago Tribune], I am not familiar with any invitation. I am not familiar with any prospective visit.

Q. Would you consider inviting Mr. Thieu to this country?

THE PRESIDENT. I really had not thought of it, and I know of no prospective visit.

KANSAS REPUBLICAN PARTY

[13.] Q. Since Kansas is traditionally Republican, would you please assess the health of the Republican Party?

THE PRESIDENT. Would you repeat that, please?

Q. Since Kansas is traditionally Republican, I am sure that many of our citizens would like you to assess the health of the party, sir.

THE PRESIDENT. Well, I, as a Republican President, can't help but be im-

pressed by the success here in Kansas. You have got a fine Governor. You have got the legislature in the control of the Republican Party here. You have got low unemployment in Kansas. You have got good economic conditions. I think this is a good achievement record for the Republican Party in Kansas as well as a whole, so I just hope we can spread this good progress through 49 other States.

FORMER PRESIDENT NIXON

[14.] Q. Mr. President, there has been a lot of speculation recently about former President Nixon's future. You talked with your predecessor by phone last weekend. Can you tell us if Mr. Nixon is considering a return to the national scene? Would you welcome that? And would you perhaps consider appointing Mr. Nixon to an influential diplomatic post, such as Ambassador to China?

THE PRESIDENT. Mr. Nixon called me last Saturday. The content of that conversation, since he initiated it, I think should come from Mr. Nixon himself.

Mr. Nixon is recovering from a very, very serious illness. I see no prospects for any appointment because of his health. And any other comments concerning the conversation, I think, should come from him.

REPUBLIC OF VIETNAM

[15.] Q. Mr. President, are you and Dr. Kissinger still insisting on increased aid to Vietnam, South Vietnam, and if so, why?

THE PRESIDENT. Well, the United States made a very significant contribution in Southeast Asia. Unfortunately and tragically, we lost some 55,000 American lives, spent literally billions.

The South Vietnamese are now trying to carry on on their own. We have no U.S. military forces there. We are living up to the Paris accords. The last Congress authorized \$300 million more in military assistance for South Vietnam on the basis that that would give them sufficient military assistance so that they could fight aggression by North Vietnam.

I am convinced that that \$300 million would give to the South Vietnamese an opportunity to defend themselves against aggression. I strongly believe that it is a proper recommendation to the Congress. I hope that the Congress will respond.

Q. But would you accept some sort of compromise proposal from those Members of Congress who don't think the way you do?

THE PRESIDENT. Well, I think \$300 million in further military assistance is the right answer to give the South Vietnamese the necessary military hardware to defend themselves. Anything less than that makes their defense of their country less effective, and I think they ought to be given enough to defend themselves. And \$300 million, according to my advisers, is the minimum for that purpose.

FORMER PRESIDENT TRUMAN

[16.] Q. Mr. President, Peter Kumpa of the Baltimore Sun. President Truman is one of your heroes, and you share some things in common with him—a Midwestern background, succession from the Vice Presidency, and a so-called do-nothing Congress. But Mr. Truman was a Democrat and a champion of the little guy. He was a spender for social causes. Now, you are not a spender. You are a Republican and a champion of free enterprise. Where did your admiration for Mr. Truman begin? How do you feel you are like him, and how do you feel you are different?

THE PRESIDENT. Well, I never alleged that I was like him; I simply have a great admiration for him. I admire him because he was forthright. He believed in certain things, whether I did or not, and he was willing to go out and fight for them. I think that is a very admirable trait.

Mr. Truman deeply believed in maintaining a strong U.S., both militarily and economically. I share that view. I believe that we insure the peace by being strong, and Mr. Truman, by his various actions, felt the same way. And Mr. Truman wanted a strong domestic economy. I admired that. I believe in it. For those traits and those basic views, whether we agreed on every detail, I admire him tremendously.

Q. As I recall, Grand Rapids was one of the very first stops on Mr. Truman's whistlestop campaign in 1948. He was there on a Monday morning in the rain, and 25,000 people showed up. Were you there to see him that time when you were running for Congress, and is that the kind of road you would like to emulate in 1976?

THE PRESIDENT. Well, I am not sure I was there. That was my first campaign, and I was probably out talking to some of my good agricultural constituents or making speeches elsewhere. But I was glad that he came to Grand Rapids. I got a taste of the kind of campaign that he initiated, carried out, and was successful.

I think you have to be aggressive. I think you have to be forthright. I think you have to be candid. And Mr. Truman was all of those put together. It was a successful campaign. It might be necessary to do it in 1976.

ECONOMIC AND ENERGY PROGRAMS

[17.] Q. Mr. President, what was the main thrust of objections by Governors, particularly Democratic Governors, not only to your energy policies but to your economic policies?

THE PRESIDENT. There was very little objection to my proposal for a tax reduction. I can't say they agreed with every detail, but they agreed that a tax reduction was necessary as a stimulant.

They did raise some objection about some of the capping that we recommended for Federal Government pay, for some of the retirement programs where there is an escalation, as you, I am sure, know. We didn't cut back those programs. We said they should be limited to a 5-percent increase. I suspect that they felt that there should have been an increase permitted to the maximum.

On the other hand, they were generally fearful of the additional \$17 billion deficit over the \$52 billion, because they know that a deficit of \$69 billion will have a very adverse impact on their financing efforts. So, I would say they had mixed emotions about the economic plan, but basically they supported it.

On the energy program, there was no major criticism. We simply tried to explain it. There were some suggestions, but I repeat what I said a moment ago: I think they respected this program, which is an answer; whether they liked every part of it, they preferred this program to a four-page step backward.

UNEMPLOYMENT

[18.] Q. Mr. President, I would like to follow up on Helen's earlier question. Your Press Secretary said last week that Mr. Greenspan and, I presume, you as well are sticking to the prediction that unemployment will peak at 8.5 percent and that that figure of 8.5 percent will probably be reached about mid-summer. In view of the new unemployment figures which came out last week, I am wondering whether you think those figures might be a little unrealistic now?

THE PRESIDENT. My own personal feeling is that there may be some increases. But I think the hump will have been reached sooner than some of the experts are forecasting, and that the trend will start in the other direction, particularly if the Congress moves in getting the tax reductions that I recommended January 15 enacted into law, and providing they do some of the other things that are necessary to stimulate the economy.

I don't want to get in a numbers game about what the unemployment figure might be at a certain date. I am more interested in trying to get Congress to

act on the programs that will get us moving forward, both in energy as well as the economy.

OIL AND GAS PRODUCTION

[19.] Q. Mr. President, Kansas has about 20,000 low-producing oil and gas wells. Do you have any incentives in your program to stimulate low producers, and if not, why not?

THE PRESIDENT. Well, in the overall energy program that I have recommended, we call for the decontrol of all domestic oil and gas production. We think permitting all domestic oil and gas production to go up in price with a windfall profits tax or a plowback provision will provide an incentive to some of the older domestic oil wells in the State of Kansas as well as elsewhere. Particularly, the plowback provision will stimulate additional production in these wells as well as further exploration and development.

I think there is more hope—let me put it this way, if I might. If the Congress is so unwise to impose mandatorily gas rationing or quotas or allocations, there is no incentive, none whatsoever for greater domestic production, including greater domestic production in Kansas out of the 20 or 30 or 40,000 oil wells in Kansas.

So, my program does recommend an incentive, a stimulant to greater production. What I hear some people are advocating, there is no chance of any stimulation to greater production.

LABOR DEMONSTRATIONS

[20.] Q. Mr. President, Leonard Woodcock of the UAW [United Auto Workers] is talking about organizing 250,000 unemployed labor members to come to Washington to march on the Capitol this spring or summer to demand action by the Government. How would you view such marches—which you hear increasingly talked about in labor circles? Would you consider them a serious threat to the domestic tranquillity?

THE PRESIDENT. I certainly respect the right of any individual or any group to come to the Congress and to the President and petition where they have a grievance that they feel ought to be so presented to the executive or legislative branches of the Federal Government.

I hope that we can show there will be an improvement in the economy so that a march or such marches in the summer will not be necessary. But I would be the last person to say that an individual or a group doesn't have the right to so take such action.

Now, I think it is just a great deal better from the point of view of domestic tranquillity for all of us to concentrate on achieving an answer on our domestic problems, action by the Congress, administrative decisions by me. This, I think, is more productive than something that could upset some of the people in Washington and elsewhere.

REPORTER. Thank you, Mr. President.

NOTE: President Ford's eighth news conference began at 7:03 p.m. in the ballroom at the Ramada Inn, Topeka, Kans.

86

Remarks at a Ceremony Commemorating the Birth of Abraham Lincoln. *February 12, 1975*

Mr. Chairman, Mr. Ambassador, Mayor Washington, Senator Beall, Mr. Hunt, ladies and gentlemen:

When Abraham Lincoln was President, the half-finished Washington Monument down the Mall stood as a silent testimony that the Nation itself was still unfinished, that it was young, and that it was struggling. Today, I find a new inspiration in laying this wreath to the memory of Lincoln on his 165th anniversary of his birth.

President Lincoln envisioned a program to achieve, in his words, a just and lasting peace among ourselves and among all nations. He saw the need for action to face an unprecedented challenge. Addressing himself to a nation then divided, he proclaimed that the dogmas of a quiet past are inadequate in the stormy present.

None of our problems today are as severe as those facing Lincoln—human slavery and civil war between the States—but we are confronted with the need to achieve economic emancipation.

As President, I believe it would be fitting to memorialize Abraham Lincoln by rededicating this Administration to reviving the moral and spiritual strengths which he bequeathed to the United States.

In his first annual message to the Congress on December 3, 1861, Lincoln stressed that responsibility must center somewhere. Advocating action on a united program for a troubled America, Lincoln told the Congress exactly that. And these are his precise words: "In a storm at sea no one on board can wish the ship to sink, and yet not infrequently, all go down together because too many will direct and no single mind will be allowed to control."

So spoke Abraham Lincoln.

Lincoln had the courage to openly assert that he would conduct the affairs of his administration so that, as he put it: If at the end, when I come to lay down the reins of power, I have lost every other friend on Earth, I shall have at least one friend left, and that friend shall be deep down inside me.

The finest testimonial I can conceive for Abraham Lincoln is for the Congress and for the President to unite at once on an effective program for national recovery and economic independence. I concur with the vision which Lincoln puts this way: "We of the Congress and this administration will be remembered in spite of ourselves."

Ladies and gentlemen, in serving America we shall nobly save or weakly abandon what Lincoln said, so aptly described as the last great hope on Earth. The way, as it was in his day, is plain, peaceful, generous, just; a way which, if followed, the world will forever applaud and God must forever bless.

Despite all the tribute that we can pay him, Lincoln himself honors his own memory the very best, because he left all of us a message about humility and humanity that continues to inspire and to help us grow as a people.

I believe the reason each generation of Americans find inspiration from Lincoln's life is because he seems, above all, to have been so human himself. He was humble. His compassion for others came from an understanding of himself. He laughed. He laughed at himself and with others. He ran for President knowing that he faced the most grave political crisis in the Nation's history. He accepted the challenge because he believed in his own ability.

In these days of new hardships, new responsibilities, and new challenges, it is important for us as a people to reflect upon the past, to draw strength from triumph over great trials in other times.

We honor the memory of Lincoln best not only by formal ceremonies but by doing our best to preserve for the next generation the legacy he so proudly handed down to us—a government of the people, by the people, and for the people.

Thank you very much.

NOTE: The President spoke at 12:30 p.m. at the Lincoln Memorial. In his opening remarks, he referred to program chairman Charles A. Brady, Jr., commander-in-chief of the Military Order of the Loyal Legion, a patriotic organization founded on

the day President Lincoln died; Frederick D. Hunt, chairman of the Legion's Washington area chapter; and Ambassador Guillermo Sevilla-Sacasa of Nicaragua, dean of the Washington diplomatic corps.

87

**Remarks at the National Entertainment Conference Luncheon
Honoring Bob Hope. February 12, 1975**

BOB, that wonderful ovation sounds just like when I go back up to the Congress of the United States.

Well, Bob, first let me say this luncheon has presented me with some very good news and at the same time some very bad news. The good news, of course, is that my very good friend, Bob Hope, has been named Comedian of the Century, and Bob, I congratulate you for it. Now, the bad news. How am I ever going to explain this to Earl Butz? [*Laughter*]

Of course, Bob has received a great many honors during his lifetime and deservedly so. In fact, Bob was telling me just last week he received a very special award from a leading student organization, a very special award. They named Bob the George Carlin of the Stone Age. [*Laughter*]

Bob, I do want to thank you for this constant dedication on your part to humanitarian causes. Just look at what Bob is doing here in Washington. Not only is he getting this award from this great organization but later on he's going over to entertain our fighting forces in the Congress. [*Laughter*]

Well, the last thing I intend to do is to try to tell jokes in the presence of the master. Bob has spent a lifetime, as we all know, bringing laughter and many happy hours to at least two generations of grateful Americans. Bob is truly the comedian of this century and any other.

Bob, on behalf of all Americans, let me say "thanks for the memory" of all the happiness you have brought to all of us all over the world.

Thank you and congratulations.

NOTE: The President spoke at 12:54 p.m. at the Shoreham Americana Hotel to a group of college student entertainment agents who had been meeting in Washington.

88

**Statement on Proposed Legislation To Continue Federal Funding
for the Corporation for Public Broadcasting.**

February 13, 1975

THE Administration today sent a bill to the Congress that will appropriate Federal funds for the Corporation for Public Broadcasting over a 5-year period, starting with \$70 million in fiscal 1976 and reaching \$100 million by 1980. To

assure that Federal support does not dominate public broadcasting and to encourage continued non-Federal contributions, the Federal funds would be provided on a matching basis—with one Federal dollar for every \$2.50 in non-Federal revenues up to the annual ceiling.

Since enactment of the Public Broadcasting Act of 1967, the Federal Government has supported the growth and development of noncommercial educational radio and television through annual appropriations. During this time, public broadcasting has developed and matured into a far-reaching, effective medium for bringing high quality educational and cultural programing to millions of Americans.

A recurring question in public broadcasting has been how to reconcile Government funding with the possibility of Government control. On the one hand, if Federal funds are used to support public broadcasting, the Government must be able to evaluate how the funds are spent. To do otherwise would be irresponsible. On the other hand, strict accountability by public broadcasting to the Government can lead to Government direction of programing, which is contrary to the principles of free expression on which our Nation was founded. It is this issue alone which requires that the Congress consider a 5-year appropriation for public broadcasting.

This bill is a constructive approach to the sensitive relationship between Federal funding and freedom of expression. It would eliminate the scrutiny of programing that could be associated with the normal budgetary and appropriations processes of the Government. At the same time, it would still permit periodic review of public broadcasting by the Congress. I believe that it will assure the independence of noncommercial radio and television programing for our Nation, and long-term Federal funding will add stability to the financing of public broadcasting which may enhance the quality of its programing. I urge the Congress to enact it promptly.

89

Statement on a Bill Prohibiting Changes in the Food Stamp Program. *February 13, 1975*

I AM announcing today that I will allow to become law without my signature H.R. 1589, which prohibits for a full year basic reforms of the food stamp program through administrative action. The Congress passed this bill by large

majorities in both Houses to block reforms which I consider reasonable and necessary.

In the first full year of its existence, this program cost \$14 million. The costs have grown to \$3.7 billion in 13 years. This action by the Congress to prohibit administrative reform will add over \$650 million to the costs of the program next year. Without the basic reforms I have requested, spending for this program could reach \$8 billion by 1980.

The reform which I proposed would have required people who receive food stamps to share with taxpayers the cost of recent real increases in benefits, by spending on the average 16 percent of their total income for food before becoming eligible for free stamps.

The proposed increase in the purchase price of food stamps was greatly exaggerated by those who opposed this reform. Percentage increases were cited, and allowable deductions for medical, excess housing, child care, and work expenses were not counted as a part of income; neither were other Federal benefits such as public housing and free food stamps. In fact, the maximum reduction in free food stamps in the most heavily affected households would have been \$15 a month. In short, this reform would have saved the taxpayers \$650 million each year.

When I first addressed the Congress as President, I said I wanted a good marriage between the executive and legislative branches. I believe I have made an honest effort to live up to this pledge.

In any good marriage, neither side gets its way all the time. However, each has the duty not to reject constructive proposals without offering some alternatives to achieve the common goal. In this case, that goal is the public interest in limiting spending to the amounts absolutely necessary to restore and assure active economic growth, to continue assistance to the needy, and to provide for the defense of the country.

On the program reform which this bill prohibits, we disagree. However, I will implement the clear will of the Congress while working to develop legislative recommendations to improve the program. In a major test of my efforts to offer constructive reforms and reasonable savings, I am disappointed that the Congress has not only rejected this plan but has failed to advance a constructive proposal of its own.

The Congress and the President share the responsibility of finding ways to limit the spending of taxpayers' money to levels no greater than necessary to meet our needs. So far, most of the major proposals for restraining spending for domestic programs have been initiated by the executive branch.

If this Congress simply rejects these proposals without coming forward with good and timely alternatives, an unthinkable deficit will result and there will be no mistaking where the responsibility lies.

NOTE: H.R. 1589 became law on February 20, 1975, Presidential action. As enacted, H.R. 1589 is Public Law 94-4 (89 Stat. 6).

90

Remarks and a Question-and-Answer Session at a Meeting of the New York Society of Security Analysts in New York City. February 13, 1975

Mr. Carlson, Senator James Buckley, Attorney General Leffkowitz, members of the New York Society of Security Analysts, ladies and gentlemen:

First, let me express my deep appreciation for the opportunity of being here today. In the last week, while the Congress has been in recess, I have been to Atlanta, to Houston, to Topeka, Kansas, and now in the lower end of Manhattan.

I am looking forward to equal opportunities in the several weeks ahead to tell a story that I think has to be told, whether it is in the South, the West, the great State of New York, or elsewhere. And with your indulgence, I would like to make a point or two on something that I feel very strongly and very deeply about.

THE NATION'S ECONOMY

[1.] I understand there have been a very great many rumors going on around this town about the reason for my visit to your organization. And before I begin, I would like to deny one of them. There is absolutely no truth to the rumor that I have come here to deliver CARE packages from Alan Greenspan. [*Laughter*]

It is a great honor and a privilege to be speaking to your society here today, because in many, many ways we have shared the same problems. But we have also shared the same hopes and a basic optimism. Looking to the future, I am confident that you, in your portfolios, and me, in the polls, have seen our lows for the year. [*Laughter*]

Of course, I realize that not everyone shares that optimism. Last Sunday, my good friend George Meany was on network television¹ to announce that the sky was falling in, and I have to admit that some of the economic forecasters, some of my own advisers have been strong on clouds and weak on silver linings.

¹ The AFL-CIO president had appeared on CBS News' "Face the Nation" on February 9, 1975.

But if I may paraphrase Mark Twain, the reports of the free enterprise system's death or demise have been greatly exaggerated.

Take a second look at the gloomy forecasts. Even the best forecasters sometimes have trouble. Grim statistics tend to assume a life and a momentum of their own. So, when the rate of joblessness has gone up 3 percent in the past year, the tendency among some forecasters is to look for a further rise, not a turnaround.

Forecasts are only forecasts; they are not divine commandments carved upon stone. The thing we should concentrate on now, as I see it, is not what someone has forecast, but what we can do to change things for the better. America's economic future does not depend upon paper projections. I concede we are in a very difficult situation. But if we approach it with a practical, tough-minded optimism, we can cope.

An economic illness is like any other illness. Too much medicine or too little medicine can make it worse. The crucial issue is how much treatment to give.

This was what I had to decide in drawing up a comprehensive economic program. Too small a tax cut would not really help the average citizen. Too large a Federal deficit would soak up too much capital and fan the flames of inflation.

A realistic balance had to be struck. The program I have submitted—after a great deal of time and attention and the best and most expert advice I could get—comes as close as possible under present conditions. The \$16 billion tax cut would not just benefit the individuals and businesses receiving it; it would provide an immediate stimulant to the economy. It would pump fresh money into consumer goods and services and, at the business end, into new jobs and greater productivity.

I am hopeful that we can and will have unemployment down by the end of this year. But in stimulating the economy to create more jobs, neither the Congress nor I can afford to remake past errors. We cannot forget the dangers of adopting policies that will surely set off another round of uncontrolled inflation during 1976 and thereafter.

Unemployment is the biggest concern of the 8.2 percent of American workers temporarily out of work. But inflation is the universal enemy of 100 percent of our people in America today.

It is my very firm conviction that we must not fight recessionary problems with inflationary cures. And we don't intend to do it, if I can prevent it.

Naturally, I will work with the Congress to avoid this danger and will use my veto, if necessary, to protect the American people from the effects of new Federal spending programs, except for energy.

The budget for fiscal 1976 which I proposed to Congress calls for a \$16 billion reduction in Federal taxes. It includes an expansion of \$36 billion or 11½ percent in Federal expenditures. That is more than I would have liked, but that is what resulted primarily from programs that are on the books that simply grow and grow as long as more people become eligible.

Some people allege those programs are uncontrollable. And in the past, that has been a frequently used term, that the budget reflects “uncontrollable” items.

We are introducing a new word at the White House. We don’t accept “uncontrollable” expenditures, and we expect the Congress to work with us in doing something about so-called uncontrolled Federal expenditures.

Now let me revert, if I might, back to the budget that was submitted. It does propose a deficit of \$52 billion for the next fiscal year beginning July 1. And by any standard, that is a lot of stimulus—a billion dollars a week in deficit, an expenditure figure for the next fiscal year of \$349-point-some expenditures, almost a billion dollars of expenditure per day by the Federal Government. By any standard, I repeat, that is a lot of stimulus, and yet I do not believe, as we have looked at the total picture, it is too much under present circumstances.

I believe that a deficit of this size can be financed in fiscal year 1976. I cannot say the same—and I emphasize and reemphasize—I cannot say the same for a much larger deficit, which will result if the Congress does not support my recommended \$17 billion cutback in some previously programmed Federal spending. Quite frankly, that is why I pledge to hold the line on old spending and draw the line on new spending. I feel very strongly that we cannot afford to lose this battle, or our economic recovery will end up again in another inflation-recession cycle.

The current recession is compounded by the energy crisis. I think we recognize that. Neither problem can be ignored; each makes solving the other much more difficult.

Now, some would like to forget about the energy challenge and concentrate all attention and all of our resources on our current recession. I only wish that we could. But we simply cannot afford to turn our backs on a growing vulnerability to unreliable foreign sources of oil, foreign sources of energy, if you will. We can still avoid a disaster that could wreck not only our economy but the economic structure of the industrialized democracies throughout the world.

Without question, there is a link between economic problems at home and the world energy situation and the complications posed by the international oil cartel, and most Americans are well aware of it.

It is my hope that a responsible majority of both political parties in the Con-

gress will not only recognize the existence of the problem but agree that we have to find a solution. We cannot afford—as I see it—any more wasted time. And let me refer, if I might, to what has happened over the last several years.

I can recall very vividly when I was in the House of Representatives 3 years ago, and people were talking about an energy problem, and recommendations in good faith were made to solve it, and Congress held some hearings. And for all intents and purposes, nothing developed, no real answer in the field of conservation, in the field of additional production.

We had the unfortunate crisis of the oil embargo in October of 1973. One would have thought that that crisis would have precipitated effective action. Again, recommendations; again, some minimal hearings—very little results.

And then I received on my desk in November of this last year a very sizable document, which was the result of one full year of study by the best people from all sides, with recommendations and options on what we should do as a government to meet the problem created by our energy crisis.

Well, we have analyzed, and we are in the process of debating the options. Unfortunately—and I say this with real sadness—the bill that I recommended, S. 594, 167 pages, is the compilation of the recommendations that I have made to the Congress, with one or two exceptions that are in separate pieces of legislation. But here is a comprehensive plan to meet the energy problem.

I say with some sadness that the Congress has been spending most of its time—since this bill that I proposed was recommended—on a four-page bill. It is called H.R. 1767, and the House of Representatives passed it by 300 and something to 110, as I recollect.

But let me just read the title to you: “To suspend for a 90-day period the authority of the President under Section 232 of the Trade Expansion Act.”

Now, if the Congress passes this four pages, takes 5 weeks or thereabouts, all they will do is take a step backward. It would have been an awful lot more productive if they had spent that 5 weeks looking at this bill, and if they find something they want to delete or add to it, that is fine—or even better, if they would present a comprehensive plan of their own. We don’t say we have all the wisdom, but we at least have a plan. And the Congress is wasting its time on a four-page bill that would step backward. I think the time for action affirmatively has come.

So, to get moving, we have to begin now. Unless we do, our domestic oil and gas supplies will continue to dwindle, and costly and unsure imports will obviously grow. It is my judgment that we must take immediate steps to reduce our oil consumption from overseas sources by 1 million barrels per day and,

in the process, develop new domestic sources of oil, natural gas, and other sources of energy. Unless we do so, our dollar outlay for petroleum will continue to increase very dangerously.

Let me cite some figures. In 1970, our dollar outlay for foreign oil imports was \$2,700 million. Last year, 1974, our dollar outlay for foreign oil rose to \$24 billion. And if no action is taken, no action, this kind of action, by 1977 our dollar outlay could increase to \$32 billion per year.

The United States, as many of you know, consumes approximately one-third of the world's total energy output. Prompt, positive American leadership is essential to any hope for the world emerging from this crisis.

My Administration, as I have indicated, has offered a comprehensive solution. If we do not act now, there will be unacceptable costs to the United States, both domestically and internationally.

Admittedly, my proposal—and I don't want to kid you or anybody else—may be costly. They may be inconvenient, as will any program to deal with the problem. But the costs of my energy proposals will be largely offset through the following—in other words, as we take in revenue from the oil import levies or revenue from the refinery tax on domestic oil or from the windfall profits tax, those added costs will be offset in the following way:

A 1975 tax reduction of \$16.5 billion to individual taxpayers through the process of a revision of the withholding schedules for this calendar year, and a \$6 billion tax reduction for business for its added energy costs. My recommendation is to reduce the corporate tax rate from 48 to 42 percent so the individual taxpayer would get a reduction totaling \$16½ billion and business would get a \$6 billion tax reduction in the manner that I have indicated.

Now, \$2 billion out of the \$30 or \$31 billion worth of added revenues would go back to State and local units of government because they have added energy costs, and the formula for redistribution to them would be under the general revenue sharing procedure.

Then I should add that there would be a \$2 billion payment to the people in the lower end of the spectrum in our economy, and they would get a direct cash payment.

Let me just summarize, if I might, very quickly. Each of these measures was carefully thought out, each is a part of a master plan. And each interlocks with the other.

At the same time, by keeping the lid on all new Federal spending programs not connected with energy, the Federal deficit would be kept to the lowest possible minimum, not as low as I would have liked under ideal circumstances, but

as low as I think we can allow it to be and still meet the Government's mandated obligations while mobilizing Federal resources to turn back the recession.

National recovery also depends on a decisive, purposeful American energy policy—an American energy policy. And let me tick off some of the essentials of that.

Only by cooperative efforts among the major industrial nations and a constructive dialog with the oil producers can an equitable oil price be restored.

Only by new mechanisms of cooperation and mutual support can the industrial democracies safeguard their economies against a new embargo or international financial disruption.

Only if the United States takes the lead now will our partners have any hope of an ultimate solution or an incentive to commit themselves to cooperation with us.

And only with a determined national effort to reduce and to end our growing dependence on imported oil can we and our partners recover control over our economic destiny.

In meeting the energy challenge, I seek cooperation, not confrontation, with the Congress. But in order for us to work together, the Congress must do more than criticize. And until the Congress does something more, it will be part of the energy problem, not part of the solution.

The intent of governmental action is to provide the most efficient and the most open system to enable the financial community to respond most effectively. But you must help provide that leadership.

I happen to believe, and believe very strongly, that America will meet that challenge. Your success will be essential to the renewal of our overall economic system.

A security analyst once told me that the most frequent request made of your profession is the following: "Don't tell me what to buy—tell me when."

Well, I would like to give a very personal answer to that question today: I buy America. And I buy it now.

Thank you very much.

QUESTIONS

ENERGY PROGRAM AND UNEMPLOYMENT

[2.] Q. Mr. President, Frank Cappiello, Monumental Corporation. My question is, would you agree to defer your energy taxation program if unemployment increases substantially this year from present levels—say to 9 or 9½, 10 percent?

THE PRESIDENT. Well, first, it is my judgment—and it is the opinion of the advisers that I have—that we aren't going to have an unemployment figure of the magnitude to which you refer. As a matter of fact, I said in my remarks that by the end of the year, it is my judgment that unemployment increases will have terminated and will be starting in a more optimistic direction.

It seems to me with the assumption that I have made that it shouldn't deter me from proceeding with the energy program that I have recommended. We are kind of locked in for the moment with the Congress, with me offering a plan and Congress trying to take away the pressure that I can exert.

I think before we are through, I think it is obvious there will have to be some getting together between the Congress and myself, and I am open to their recommendations. But I have to—because the problem is so severe, the potential danger is so great—must move forward.

As I said during my remarks, for 3 years, to my memory, we have had talk and no action. And so I intend to push. I think it is right, and I think we will get a solution without interfering with the recovery of the economy.

TAX PROGRAM

[3.] Q. Mr. President, Carter Randall, Equitable Trust. You yourself have said that in relations with Congress, that compromise is probably going to have to be the answer. In your tax program, wherein lies compromise? Is it the magnitude, the timing, the allocation, or what?

THE PRESIDENT. As I have indicated, I proposed a \$12 billion tax rebate to individuals predicated on their 1974 tax payments, which amounts to about a 12-percent rebate with a \$1,000 cap.

In the business area, I recommended a \$4 billion tax reduction with a 1-year increase in investment tax credits from 4 percent to 12 percent for utilities and from 7 to 12 for businesses generally. I think that is a good balance.

The House Committee on Ways and Means has bought a good bit of what I have recommended, but not entirely or not precisely. They have taken half of \$16 billion personal income tax change and recommended that it be done the way I propose, with a \$200 cap. I think a \$200 cap is too low. I don't think it will have the kind of stimulant that I think is needed in the economy.

They have taken the other half of the \$16 billion on personal income tax reduction and jiggled the withholding for 1975. I don't think that has any immediate stimulant to the economy. It is reflected over the next 7 months providing they get it passed within the next few months.

Then—of course, that is only the committee recommendation. The House can

change it, the Senate Finance Committee can change it, the Senate can change it, and then they have to go to conference.

I have been in enough conferences. I know conferences can significantly change a legislative proposal from the House and the Senate. I am going to stick with my proposal until I see what the Congress eventually comes up with.

We think ours is the best balance to get the needed stimulant and the most constructive action from the point of view of business. I hesitate to commit myself to what a committee has done when they have got a long and tortuous road before they send anything down to the White House.

I just want them to act, and it does bother me. I must say this: In my State of the Union Message on January 15, I told them what we wanted, what I thought was needed. I had people up there testifying as soon as their committees were organized. And you know, the House of Representatives won't act on that until next week or the following week, and that is almost 5 weeks.

Then they have the Senate process, and then they have to go to conference. I wish the Congress would act much more quickly, and that is one reason we recommended a very simplified proposal.

TAX REDUCTION AND UNEMPLOYMENT

[4.] Q. Mr. President, I am Jerry Moran, Scudder, Stevens & Clark. If your advisers' forecast of the rate of unemployment does prove to be low by 1 to 2 percent, by what amount would you consider increasing your tax reduction program?

THE PRESIDENT. As I answered earlier to the gentleman who asked the first question, I don't assume that our forecasts are inaccurate. In fact, I am more optimistic than they—or the computers are, let me put it that way. [*Laughter*]

I am even more optimistic than Alan. [*Laughter*]

And I guess you have some customers who are more optimistic than he. [*Laughter*]

So, I am going to stick with my tough-minded optimism. I think I would answer it this way, without accepting the premise that you have propounded, that if—well, it is pretty obvious what I recommended indicates my ideological belief that a tax reduction is better than increased spending. I think it is much more sensible. As a matter of fact, I tried to hold spending down, and I gave the stimulant, as I recommended it, to a tax reduction.

Now, by giving that answer, I don't want anybody in the press or here to believe under any circumstances that I think the unemployment figures are

going higher than what my advisers have told me or what I have said personally. But I just wanted you to get a little touch of my philosophy.

ENERGY RESEARCH AND DEVELOPMENT

[5.] Q. Mr. President, Bob Smith at Bache. ERDA last week awarded a \$350,000 contract to a private company acknowledged to be at least a year and a half ahead of all U.S. laboratories in the quest to harness nuclear fusion via high-power lasers. Since fusion is considered by most the ultimate power source, why the tokenism in this respect when major funding is required? I take it we are all serious about Project Independence. Can't bureaucratic redtape and interagency jealousies be set aside so we can get on with a crash program in this area? [*Laughter*]

THE PRESIDENT. Let me answer it this way: Some Presidents in the past have been criticized for getting deeply involved in the awarding or nonawarding of contracts to individual firms seeking Government business. I am not going to get involved in one or the other, on awarding or not awarding.

I can tell you this—and then I will ask Frank Zarb, one of your former cohorts here, to give you an answer—we have increased in the '76 budget the research and development money for a wide range of energy research and development from \$1.6 billion in the current fiscal year to \$2.2 billion in the forthcoming year.

We have made available, or we have recommended to the Congress, as much money and probably more than many scientists say we can profitably and intelligently use. But I said we would bend over backwards on the affirmative side rather than on the restrictive side.

So, I will let Frank answer the specifics. There is money. There will be money for all legitimate research and development projects and programs in the next fiscal year's budget. And leave it up to Bob Seamans and the people over at ERDA to give a technical evaluation and a technical judgment, but we want good projects pushed, and there is the money for those purposes.

One more and then I had better go. I have to talk to some of Nelson's friends tonight. [*Laughter*]

ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES

[6.] Q. I am James Shinn of Philips Appel & Walden. Mr. President, do you feel that recent announcements by the Central Bank of Iran indicate a policy that will eventually result in OPEC nations demanding a mixed basket of cur-

rencies or payments in some other currency rather than U.S. dollars for oil exports?

THE PRESIDENT. With apologies, I think I had better let Alan Greenspan answer that, and he will be here, along with Frank Zarb, after I leave, if you would excuse me.

Well, I will take one from the lady over here.

FEDERAL BORROWING

[7.] Q. I am Dr. Edith Sands of Long Island University. Mr. President, my question is, if the Government borrows \$52 billion to cover its deficit, what credit will be left for business and consumers?

THE PRESIDENT. I have been assured by Alan Greenspan, by others that advise me who are experts and who are technicians, that that amount of borrowing, or the amount of borrowing that reflects that deficit can be met in our financial circles. I said in my remarks, as you may remember, I think if Congress doesn't respond to the recommendations I have made to hold the line to the extent of \$17 billion on additional spending—so they go from \$52 to \$69 billion—then my curbstone opinion is that the problem you raise becomes somewhat serious.

So, I urge you to urge your Senators and your Members of the House to take a good, strong position on cutting back that \$17 billion. It is important because we don't want to have to borrow \$17 billion more; \$52 billion is enough.

Thank you very much.

NOTE: The President spoke at 4:33 p.m. in the Security Analysts Journal meeting room at the Security Analysts Building. In his opening remarks, he

referred to Arthur Carlson, president of the society, and Louis J. Lefkowitz, New York State attorney general.

91

Remarks at a Dinner in New York City Honoring Vice President Rockefeller. *February 13, 1975*

Thank you very, very much, Nelson.

I will respond with my deepest appreciation and wonderful gratitude with some comments just in a few moments, but let me thank Gus and Brook ¹ and all of you who have come here tonight. I am just so pleased and, of course, honored.

I think it is wonderful to have Jack Javits, Jim Buckley, Malcolm Wilson,²

¹ Gustave L. Levy was chairman and Brook Astor (Mrs. W. Vincent Astor) was cochairman of the dinner.

² Senators Jacob K. Javits and James L. Buckley, and Gov. Malcolm Wilson.

and all of the other public officials who are here paying tribute to Nelson, as I am, because we all think he was not only a great Governor but I think he is a great Vice President.

You know, there is a somewhat trite slogan that says, "Ford has a better idea." Well, I am here tonight to tell you that one of the best ideas this Ford ever had was nominating Nelson Rockefeller to be Vice President of the United States.

All of you know as well as I, if not better than I, that Nelson Rockefeller has been a distinguished public servant, a sensitive and compassionate humanitarian, a superbly able Governor, and now he has embarked on even a new and greater challenge, the second highest office in this great land of ours.

Mr. Vice President, I hope to share for a very, very long time your counsel, your confidence, and your wonderful company. And I will add with a personal footnote, I know Happy³ will look forward to that with you as well.

But in all honesty or fairness, Mr. Vice President, I must admit that in your career you have also had a few less memorable moments. In the 1960's the Vice President was a very strong supporter of John Lindsay, and John became a Democrat. He was a very strong supporter of Ogden Reid,⁴ and Brownie became a Democrat. And now, the only thing that bothers me—he is a very strong supporter of me. [*Laughter*]

Frankly, though, Nelson, I don't think I could do that—to the Democrats. That's all they need right now—is one more candidate for President. [*Laughter*]

Tonight we pay tribute to a man of unlimited talent, outstanding accomplishment, and boundless enthusiasm. When Nelson tackles a project, he gives it everything he's got. Now, using a little wrestling jargon, I have never known him to apply a half nelson to anything. [*Laughter*]

Therefore, I am designating the Vice President to be the Vice Chairman of my Domestic Council, with the responsibility of overseeing its vitally important work. He will assist me in carrying out my responsibilities for the domestic policy formulation with a broad conceptual framework.

And I want the Domestic Council to undertake, if I might list them, the following responsibilities: First, assessing national needs and identifying alternative ways of meeting them; second, providing rapid response to Presidential needs for policy advice; third, coordinating the establishment of national priorities for the allocation of available resources; fourth, maintaining a continuous policy of

³ Mrs. Nelson A. Rockefeller.

⁴ Ogden R. Reid, U.S. Representative 1963–75.

review of our ongoing programs and, as we look down the road, proposing reforms as we need them.

Now, because of the complexity and the interrelationship of domestic policy and programs, I believe the broadest perspectives must be utilized in the Domestic Council's deliberations. That is why I personally, with the deepest conviction and support, have asked the Vice President to serve as Vice Chairman of the Council and to personally and vigorously oversee its work.

It will, as I am sure many of you know now and, I hope, all of you will see later, provide for the full coordination of the work of this Council with the responsible people for my [President's] Economic Policy Board and the Energy Resources Council. They will work in the closest relationship with one another.

And may I add that at the present I am announcing my intention to appoint Jim Cannon as Executive Director of the Domestic Council and Assistant to the President for Domestic Affairs. Dick Dunham will be Deputy Director of the Domestic Council, and they, of course, will work closely with the Vice President in the operations of the Domestic Council and most closely with myself.

But if I might for a few moments tonight—perhaps longer than you might like—but I am speaking, most seriously, in the special area of foreign policy; I am not the first President to have this Vice President's wise counsel.

Nelson visited Latin America on the eve of World War II. He perceived the danger of anti-American propaganda and the penetration, by the Axis powers, of governments and economies of some nations in this hemisphere.

Nelson voiced, at that time, timely concern to President Roosevelt in 1940, over a year before Pearl Harbor. In designating Nelson to coordinate inter-American affairs, President Roosevelt was not thinking about Rockefeller the Republican, he was thinking about Rockefeller the American.

Nelson improved relations with Latin America during the darkest days of World War II. In 1945, President Roosevelt appointed him Assistant Secretary of State for American Republic Affairs. Nelson contributed much to the concept of mutual security that led to the Rio Pact, to NATO, and to enlightened international cooperation.

Now, during World War II, I had the good fortune to serve aboard a Navy aircraft carrier. I began to see at that time the islands of the Pacific and America's links with the world in a far broader perspective than I did as a young man in Michigan.

When I took my oath as a Member of the Congress in January of 1949, Arthur Vandenberg was senior Senator from Michigan and the chairman of the Committee of Foreign Relations. The Senator at that time was concerned

over the future of bipartisanship in foreign policy. He preferred to call it at that time, "nonpartisanship."

Although more seriously ill than those of us who were his friends knew, Senator Vandenberg saw his job as unfinished unless the Republican Congress at that time and President Truman could fashion a decent peace to prevent world war III. While working for world peace with President Truman and Secretary of State Byrnes, the Senator flatly refused to make any speeches on a partisan basis, because it would tend to destroy a united American foreign policy.

In 1950, Senator Vandenberg emphasized the need, as he put it, under our indispensable two-party system, to unite our official voice at the water's edge so that America speaks with maximum authority against those who would divide and conquer us and the free world. Senator Vandenberg said, and again I quote: It does not involve the remotest surrender of free debate in determining our position. On the contrary, frank cooperation and free debate are indispensable to ultimate unity.

When one party controls the Congress, as did the Republican 80th Congress and the other party controls the White House, as President Truman's party did, there must be cooperation or, as Senator Vandenberg said, and I quote: "America would be devoid of any foreign policy at all."

In February 1951, Senator Vandenberg differed with Senator Kenneth Wherry—as I am sure Jack Javits would recall—who was then a very powerful Nebraska Republican, whose resolution at the time, the major business of the Senate, would have tied the hands of President Truman in foreign policy.

The President was seeking to add American Army divisions to an integrated—I told my wife, Betty, that I knew this speech backwards, and I am proving it—[*laughter*—to an *integrated* North Atlantic military force commanded by General Eisenhower. While respecting Senator Wherry's sincerity, Senator Vandenberg was convinced the restrictive resolution would undermine the President's constitutional authority as President of the United States.

So, it was in February of 1951, that Senator Vandenberg said of President Truman, and I quote: "He is the only President we shall have and this is the only Congress we shall have during the next two critical years; the quicker we reach a working relationship so that we can have a united policy, the safer our country will be."

Today I find myself in President Truman's job. I look to the new Congress and to the critical years ahead. And I have to deal, of course, with the economic crisis in the United States and other industrialized democracies. I am, of course,

concerned with the problems of recession and inflation, unemployment, and energy shortages. I would be even more concerned if we were to have a 94th Congress burying its head in the domestic sands like an ostrich, while expensive oil flows into America and expensive dollars flow out.

As I was working on my remarks for tonight, I asked myself this question: What has changed since the days of Arthur Vandenberg? Yes, during the latter years of my service in the Congress, severe strains developed between the legislative and executive branches over Southeast Asian policies of two administrations, one Democrat and one Republican.

Yes, indeed, America has experienced a series of shocks, domestic and foreign, dating back to the assassination of President Kennedy. We have new preoccupations, we have new perceptions, new priorities, and hopefully, some new directions. Nevertheless, we need nonpartisanship in foreign affairs today more than we have ever needed it in the history of this America. We need more, not less credibility and continuity; we need more, not less confidence in the honest motives and high patriotic concerns of one another.

That is not to say that I wish the Congress would keep out of foreign affairs, and that I want to run everything beyond the water's edge in my own way without legislative interference. Under the Constitution, the Congress has a fundamental responsibility in the shaping of all broad matters of public policy, both foreign and domestic. Nobody knows that better than I do. But while the Congress together with the President makes foreign policy, only the Executive can execute it.

History is quite interesting. For the first 11 years of our national independence, we experimented with a government by legislative committee—the Continental Congress, under the Articles of Confederation. There was a President of the Congress, but no President of the country. It is a wonder, as a matter of fact, that General Washington was able to win the war.

Once our national independence was recognized, Washington and the other Founding Fathers wasted no time in writing a new Constitution in which they set aside their fears of a tyrannical king or a too-powerful prime minister and vested the executive authority or power in a President of the United States of America.

The new Constitution gave the Chief Executive command of the Armed Forces raised by the Congress and the power to negotiate treaties and to receive and to appoint Ambassadors with the advice and consent of the Senate.

Now clearly, the Constitution contemplates a political partnership beyond the water's edge, and it clearly does not contemplate the day-to-day conduct of

foreign policy any more than the day-to-day conduct of military operations by many, many different voices in the deliberative legislative branch.

Our system has served us so well. Without reviewing all 200 years of our history and the frequent debates between our great political parties, I can say from my own perspective—and that of many of you—that the record of American foreign policy since the end of World War II has been, overall, a most remarkable success.

When World War II was ended, the world waited to see what the United States would do, whether our power and our moral commitment would continue to be engaged worldwide or whether we would retreat again into the isolationism that contributed to the world conflict in the first place.

With the Marshall Plan, the Truman Doctrine, and the formation of our first peacetime alliances, we provided an essential bulwark of security, stability, and economic progress for the world.

In the 1970's, we built on this wonderful foundation with imagination and startling success. We ended America's 10-year military involvement in Vietnam. We ended it with honor and brought home our prisoners of war. We ended the crisis in Berlin. We achieved unprecedented agreements in strategic arms control with the Soviet Union. We fashioned a new relationship with China. We ended a war in the Middle East and have been instrumental in moving the parties to the conflict toward a stable and lasting peace. We began a new dialog with Latin America. We launched an international effort to meet the challenge of a global food crisis. We have taken up the role of leadership to promote international cooperation in the field of energy.

I think this is a remarkable achievement for America. It is evidence of what the United States can accomplish when it shows the will and the determination to persevere and a demonstration of the historic reality that there is no alternative to American leadership. Our diplomacy is still the best hope of the world in finding solutions to age-old conflicts. We respect the trust which countries place in us on both sides in so many regional disputes.

But we have not been involved in the world simply out of altruism—though we need not apologize for that—but because the kind of world America lives in directly affects the kind of lives Americans live at home. Today, more than ever, peace and prosperity at home and abroad are completely indivisible. Never before has the state of this Nation depended more on the state of the world.

In a world of continuing complexity, America's role in promoting peace is indispensable. In the conflicts in the Middle East, including Cyprus, our mediation efforts have been indispensable. In a world of proliferating nuclear weap-

ons, our actions in limiting strategic arms and to promote essential new safeguards against their further spread are indispensable. There has never been a greater need for purposeful American policy and leadership. And I say as strongly as I can, this cannot be achieved without unity at home.

Our Secretary of State is today in the Middle East, engaged in a quest for a peaceful settlement of one of the most serious political deadlocks in the world, a conflict which has posed for 25 years great dangers of international confrontation and crisis. The American people are united in wishing him godspeed and great success in this extraordinary undertaking. The Secretary carries with him the hopes and the prayers of a nation for a just and lasting peace.

In this very difficult time, the American people expect responsible conduct from individual Members of Congress and from Congress as a whole, as well as from the President.

In Cyprus, the United States has long sought to mediate between two valued allies in order to secure the independence and territorial integrity of that strategic island. A renewed negotiation scheduled to bring together the Foreign Ministers of Greece and Turkey in a meeting with Secretary Kissinger in Brussels this week broke down because of Congressional insistence that military assistance to Turkey be terminated.

This action, I am convinced, is a self-inflicting wound. It will seriously impair our relations with a valued ally and achieve no benefit whatsoever. I think it is perfectly obvious it will adversely affect Western security generally and with serious consequences to the strategic situation in the Middle East. And most tragically of all, it does nothing to improve the lot of those Cypriots in whose name this Congressional action was supposedly taken.

But this issue is greater than the immediate example in the Eastern Mediterranean. The issue really is what kind of an ally are we when we punish our friends more severely than our enemies? What kind of statesmen are we when we so poorly perceive our own interests? This question is being asked tonight by nations who look to us for leadership. I can give no good answer.

In the final days of the last Congress, in the 1974 Trade Reform Act—it was passed—that act was designed to strengthen the basis of our economic ties with our allies, our adversaries, and our developing countries in the interest of worldwide progress and stability. These are national goals of which there is very little disagreement. Yet these goals were jeopardized in the last Congress by an unfortunate amendment which withheld generalized tariff preferences from all OPEC nations, or members, whether or not they participated in last winter's oil embargo.

This indiscriminate and hasty act damaged our relations with Ecuador, Venezuela, Nigeria, and Indonesia, despite the fact that they refused to participate in the embargo against the United States.

Another amendment to that act led the Soviet Union to repudiate its 1972 economic accord with us, including its agreement to settle its World War II lend-lease debt. The United States had agreed in 1972, as a result of the marked improvements in our overall relationship, to grant the Soviet Union nondiscriminatory trade rights. The breakdown of this foreign policy agreement unfortunately could cause tragic consequences, exactly contrary to the intent of Congress.

The issue is not the goals of foreign policy; the executive and legislative branches share the same hope for America. What is at issue is the process of executing our foreign policy, not its objectives. But as men of good will, we must solve the problem of our respective roles. It would be a national tragedy if conflict between the Congress and the Chief Executive jeopardized the achievements of the 1970's and prevented further progress toward our common goals.

As I said in my State of the Union Message, I doubt that restrictive amendments are an adequate tool for shaping the conduct of foreign policy. An attitude frozen in a statute, however noble, cannot shape events. In a world of 150 nations and fast-moving change, diplomacy is a process, not execution of a rigid blueprint.

The door of the White House, as I have stated, is open to the Congress, to new Members as well as old. I do not expect 535 reincarnations of Senator Vandenberg. Yet, I do appeal for an open-minded spirit of enlightened national concern to transcend any partisan or internal party politics that now threaten to bring our successful foreign policy to a standstill.

I challenge the Senate and the House to give me the same consideration that Senator Vandenberg sought and got for President Truman.

Can't we consult and act rather than pontificate and poke? I refuse to believe that we have passed the point of no return in discarding our tradition of nonpartisanship in foreign policy. Further, I refuse to believe that it will become easier to negotiate with foreign adversaries and allies than with the Congress of the United States. I seek a coalition of confidence with the new Congress, and there is no area in which this is more critical than in the national response to the crisis of energy.

Last winter's oil embargo generated widespread agreement that a comprehensive energy policy is needed. For years we have analyzed and debated the options. Delay will only compound the problem; we must begin now. Our oil

and gas supplies will continue to dissipate and imports will grow, unless we take immediate steps to reduce consumption and develop new supplies.

Congressional action is imperative if the United States is to maintain its international leadership. We cannot expect other nations to tighten their belts if we are unprepared to do the same ourselves. We cannot appear unwilling to take the unpleasant but necessary steps to cure our energy and economic problems when other nations are trying to face up to their own difficulties. Oil-consuming nations must unite. The surplus of Arab dollars is creating, we all know, a financial crisis in Western Europe. Concerted action is essential.

The Administration has offered the first comprehensive, integrated solution to our energy problems ever assembled. If we do not act now on the short-term goals, there will be unacceptable costs to the United States, both domestically and internationally.

You may wonder why I am calling for nonpartisanship in foreign affairs at a Republican Party dinner. Why didn't I make this speech before a Democratic Party dinner? Well, for one thing, I haven't been invited to any Democratic Lincoln Day dinners. For another, the tribute to Nelson Rockefeller is more than a partisan tribute, just as his confirmation as Vice President by an overwhelming majority of the last Democratic Congress was more than a partisan confirmation. In his own early career of public service is a good example of the non-partisan tradition that goes back to the war years of President Franklin D. Roosevelt.

But most of all, I use this Republican forum for this appeal because I am proud, as you can be proud, of our party's contributions, both in the Congress and in the White House, in and out of power through 30 years of constructive continuity in American foreign policy.

I renew my offer to consult with the Members of the Congress on a further orderly phaseout of our military assistance in Southeast Asia on a basis which honors our repeated promises to allies that we will help to supply those willing to fight for their own freedom. I do not see how we can renege or compromise that principle. I do not intend to do so.

And I am also willing, as was President Truman, to bring the responsible leaders of the Democratic majority in the Congress in on the foreign policy take-offs as well as landings, particularly the crash landings. I have already done so, and will continue to expand these two-way consultations.

Let me repeat what Senator Vandenberg told his Republican friends about President Truman and the Republican 80th Congress: "He is the only President we shall have and this is the only Congress we shall have during the next critical

two years; the quicker we reach a working relationship so that we can have a united policy, the safer our country will be."

Yesterday, I stood at the Lincoln Memorial. I saw at the far end of the Mall the great white dome of the Capitol, my home for almost 25 years. I was reminded of the difficulties President James Polk encountered from a young freshman Congressman from Illinois, who denounced the United States' involvement in the Mexican War as having been unnecessarily and unconstitutionally begun by the President without Congressional consent. And I remembered also how that defeated one-termers, when he returned to Washington as President of a rapidly disintegrating nation, took emergency measures which were similarly denounced on Capitol Hill as unconstitutional and dictatorial.

When the Congress attempted to run the war by committee, President Lincoln told them bluntly that the ship of state can have only one helmsman. And he said in his first annual message to the Congress, and I quote: In a storm at sea no one on board can wish the ship to sink, and yet not infrequently, all go down together because too many will direct and no single mind will be allowed to control.

As once again we honor Abraham Lincoln as the greatest President of *our* party that was given to the Republic, let us rededicate ourselves to the broader vision of the national good which he brought from the Capitol to the White House. Let us continue as Americans to seek his noble goals of a just and lasting peace among ourselves and with all nations.

Thank you very much.

NOTE: The President spoke at 9:47 p.m. in the main ballroom at the Waldorf-Astoria Hotel.

92

Memorandum Outlining Responsibilities of the Domestic Council. *February 13, 1975*

Memorandum for: The Vice President, The Secretary of the Treasury, The Attorney General, The Secretary of the Interior, The Secretary of Agriculture, The Secretary of Commerce, The Secretary of Labor, The Secretary of Health, Education, and Welfare, The Secretary of Housing and Urban Development, The Secretary of Transportation, The Director, Office of Management and Budget, The Chairman of the Council of Economic Advisers, The Chairman, Council on Environmental Quality, The Administrator of the Environmental Protection Agency, The Administrator of

Veterans Affairs, The Director of the ACTION Agency, The Executive Director, President's Economic Policy Board, The Executive Director, Energy Resources Council

Subject: Domestic Council

To assist in carrying out my responsibilities for domestic policy formulation within a broad conceptual framework, I want the Domestic Council to undertake the following responsibilities in domestic policy areas:

- Assessing national needs and identifying alternative ways of meeting them.
- Providing rapid response to Presidential needs for policy advice.
- Coordinating the establishment of national priorities for the allocation of available resources.
- Maintaining a continuous policy review of on-going programs.
- Proposing reforms as needed.

I would specifically like to emphasize the following essential components of these functions:

- Identify major policy problem areas requiring Administration attention and actions.
- Coordinate the formulation of policy options in the domestic area for my consideration.
- Initiate fact-finding analysis, develop policy options and recommendations for Presidential decision, Administration action and legislation.
- Review in conjunction with OMB departmental legislative proposals for their impact on present policy and legislation and consistency with Administration policy.
- Establish guidelines in conjunction with OMB for formulation of Departmental and Agency administrative regulations to ensure consistency with Administration policy objectives and legislative intent.

Because of the complexity and interrelationship of domestic policies and programs, I believe the broadest perspectives must be brought to bear in the Domestic Council's deliberations. For this reason, I have asked the Vice President to serve as Vice Chairman of the Council and to oversee the work of the Council.

I am also asking the Vice President to review the operations of the Council staff and to propose such reorganization of the Council as from time to time may be necessary.

To expedite the work of the Domestic Council, the Vice President will make

recommendations to me for the formation of task forces and review groups of officials at the appropriate levels of Departments and Agencies involved.

For the Domestic Council to carry out my objectives, it is essential that the Council have the full cooperation of your Department or Agency, including the necessary staff support for the various task forces and review groups which will be established.

I am today announcing my intention to appoint Mr. James M. Cannon, Executive Director of the Domestic Council and Assistant to the President for Domestic Affairs. Richard L. Dunham will be the Deputy Director of the Domestic Council. I expect them to work closely with the Vice President in conducting the operations of the Domestic Council.

To provide for full coordination of the work of the Domestic Council with the work of other policy bodies, the Executive Director of the Economic Policy Board and the Executive Director of the Energy Resources Council will be designated as members of the Domestic Council.

GERALD R. FORD

NOTE: The text of the memorandum was released at New York, N.Y.

93

Letter Accepting the Resignation of Counsel to the President Phillip E. Areeda. *February 14, 1975*

Dear Phil:

I have your letter of February 7, and it is with sincere gratitude for your dedicated service to our Nation that I accept your resignation as Counsel to the President, effective on a date to be determined.

In doing so, I welcome this opportunity to express my personal gratitude for your unhesitating support and willing assistance during the past months of transition. You brought to your responsibilities on my staff great energy, skill and expertise. Your past experience and knowledge of the White House and of the Federal Government have enabled you to make significant contributions to the development of our legislative programs and to the establishment of my Administration. Your wise counsel and able direction have earned the respect of all your colleagues as well as my own great admiration.

I am most grateful for your good wishes for my Administration and for your kind offer of future assistance. You can be sure if the occasion ever arises, we won't hesitate to again call on your talents.

In the meantime, as you prepare to resume your duties at Harvard, I want you to know that you take with you my warmest best wishes for every continued happiness and success in the years ahead.

Sincerely,

JERRY FORD

[The Honorable Phillip Areeda, The White House, Washington, D.C.]

NOTE: Mr. Areeda's letter of resignation read as follows:

Dear Mr. President:

Permit me to submit my resignation as Counsel to the President.

I am grateful for the opportunity you have given me to serve the country once more. But now that I have done all that I can as Counsel to help in establishing your Administration, I have satisfied my commitment in coming to the White House last Fall. I plan therefore to return to my teaching and scholarship at Harvard.

I shall be honored to render any occasional future assistance that you might find useful after my return to Cambridge in several weeks. I leave behind my warmest good wishes for your personal well-being and for the success of your Administration.

Yours respectfully,

PHILLIP AREEDA
Counsel to the President

[Honorable Gerald R. Ford, President of the United States, The White House]

94

Statement on the Death of Representative Jerry L. Pettis of California. *February 14, 1975*

MRS. FORD and I were deeply grieved to learn of the plane crash that took the life of our old friend, Representative Jerry Pettis.

Jerry Pettis was more than just a Member of the House of Representatives. He also excelled as a rancher, teacher, aviator, religious leader, and businessman. Jerry brought the insights he gained in these varied fields to his work in the Congress and his position of leadership among House Republicans.

It was my great privilege and pleasure to work closely with Jerry for 8 years—first as a colleague in the House, and then as President. I will miss his loyal support and wise counsel.

Mrs. Ford and I extend our deepest sympathy to his wife, Shirley, and to his family.

NOTE: Representative Pettis was a Member of Congress from 1967 until his death on February 14, 1975.

95

Remarks at an Unveiling Ceremony at the George Washington Masonic National Memorial, Alexandria, Virginia.*February 17, 1975*

Most worshipful Brother Ellis, most worshipful Brother Fowler, grand masters and other officers of the fraternity, Brothers, and friends:

Let me, at the outset, express my deepest personal gratitude to Brother Ellis for his more than generous observations and comments, and I truly hope that my performance in the future will bear out the comments that he has made concerning the past. I am deeply grateful for those very kind words.

The dedication of this medallion gives me a great personal pleasure and, of course, is an honor that I will always cherish.

When I took my obligation as a master mason—incidentally, with my three younger brothers—I recalled the value my own father attached to that order. But I had no idea that I would ever be added to the company of the Father of our Country and 12 other members of the order who also served as Presidents of the United States.

Masonic principles—internal, not external—and our order's vision of duty to country and acceptance of God as a Supreme Being and guiding light have sustained me during my years of Government service. Today especially, the guidelines by which I strive to become an upright man in Masonry give me great personal strength.

Masonic precepts can help America retain our inspiring aspirations while adapting to a new age. It is apparent to me that the Supreme Architect has set out the duties each of us has to perform, and I have trusted in His will with the knowledge that my trust is well-founded.

As our Nation approaches its 200th anniversary, we do live in very challenging times. It was almost 200 years ago, in the darkest days of our war for independence, that George Washington answered a question that is sometimes asked today. The question is whether things are as bad as some say.

George Washington answered, and I quote: "We should never despair. Our situation before has been unpromising and has changed for the better, so I trust it will again. If new difficulties arise, we must only put forth new exertions and proportion our efforts to the exigency of the times."

Let us today rededicate ourselves to new efforts—as Masons and as Americans.

Let us demonstrate our confidence in our beloved Nation and a future that will flow from the glory of the past.

When I think of the things right about America, I think of this order with its sense of duty to country, its esteem for brotherhood and traditional values, its spiritual high principles, and its humble acceptance of God as the Supreme Being.

Today we honor our first President, who was also our first Masonic President. In a letter in 1798 to the Grand Lodge of Maryland, Washington used some words that are now especially appropriate. Washington told the order that he "conceived it to be the indispensable duty of every American . . . to come forward in support of the government of his choice, and to give all the aid in his power towards maintaining that independence which we have so dearly purchased."

Such involvement by every American is as essential today as it was in George Washington's day.

I do express to all of you my deepest thanks for this tribute, and I ask that we resolve together to honor George Washington and America by perpetuating the national heritage he engendered through the principles which guide our order—friendship, morality, and brotherly love.

I thank you very, very kindly.

NOTE: The President spoke at 12 noon at the unveiling of the Gerald R. Ford Masonic Medallion. In his opening remarks, he referred to Raymond Ellis,

president, and Marvin Fowler, executive secretary of the memorial.

96

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Appropriations Legislation for the United States Arms Control and Disarmament Agency.

February 18, 1975

I TRANSMIT herewith for consideration of the Congress proposed legislation to extend the appropriation authorization for the Arms Control and Disarmament Agency, together with a letter from the Director of the Agency in support of this legislation.

The negotiation of effective arms control arrangements, especially in the area of strategic arms, continues to be a priority objective of this Administration. To that end, the Strategic Arms Limitation Talks will continue in Geneva with a

view to implementing the Vladivostok accords and reaching a new strategic offensive arms agreement between the United States and the Soviet Union. This agreement would cover the period through 1985 and include both quantitative and qualitative arms limitations. Additional efforts in the field of arms limitation and disarmament will be devoted to the negotiation of an agreement on underground nuclear explosions for peaceful purposes, to the development of sound international approaches to the problems of nuclear non-proliferation, to the continuation of efforts to reach agreement on mutual and balance force reductions in Central Europe, and to international discussions of the problems of chemical and environmental warfare.

The Arms Control and Disarmament Agency plays an effective and major role in all of these activities. By continuing these negotiations and by seeking solutions to the many complex and difficult problems involved, the Arms Control and Disarmament Agency will play an even more important role in future arms control and disarmament activities.

The attached draft bill would authorize \$23.0 million in appropriations for the Arms Control and Disarmament Agency for fiscal years 1976 and 1977. Current authorization and appropriations expire June 30, 1975. The draft bill would also permit the Director of the Agency to grant access to classified information to contractors or subcontractors and their officers and employees on the basis of security clearances granted by the Department of Defense. This amendment would eliminate many unnecessary, expensive and time-consuming investigations in cases where the Agency would require the services of contractors whose officers and employees have already been cleared by the Department of Defense.

I urge early enactment of this measure.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate. The text of the draft legislation was included as part of the release.

97

Remarks at the Swearing In of Betty Southard Murphy as Chairman of the National Labor Relations Board.

February 18, 1975

IT IS a great privilege and pleasure for me to have the opportunity of participating in the swearing-in ceremony for Betty Murphy as Chairman of the National Labor Relations Board.

All of you, I am sure, are familiar with her outstanding record, fine educational background—with one exception, which I will comment on in a minute—a fine experience as a member of the press, and an excellent record as Administrator of the Wage and Hour Division, and now an opportunity to serve in the most important responsibility as Chairman of the National Labor Relations Board.

I was looking over Betty Murphy's educational background, and I could not help but notice—we from Michigan notice those things—that she was a graduate of Ohio State University. To show my complete objectivity, she was recommended for appointment, to the Senate—and confirmation—despite that educational handicap. [*Laughter*] We have to have a lot of fun between Ohio State and, as Woody Hayes says, that school up north.

So, Betty, it is a great privilege and pleasure for me to participate.

I might add one thing. Where is Ann? Ann, I want to thank you for that nice letter you wrote me.

Ann wrote me a letter telling me how she conserved energy. She went to bed at 8 o'clock and turned out the lights. And what else did you tell me, that you got 100 on an arithmetic test? I never did that well.

Judge Green, if you are ready, we can proceed.

[*At this point, U.S. District Court Judge June Green administered the oath of office.*]

CHAIRMAN MURPHY. *Mr. President and friends and members of the press:*

I am really deeply honored at this opportunity, and I want you to know that I appreciate it, and I will do my very best to be a good Chairman.

THE PRESIDENT. We have no doubt about that.

CHAIRMAN MURPHY. Thank you.

THE PRESIDENT. I want to say to all of Betty's friends, both in government and out, Betty was appointed not because she was a woman, but because she was, in my opinion, the most qualified and the most respected. So, we are honored to

have her. We hope to have another outstanding woman in the Administration, and any help all of you can give in that regard will be appreciated.

CHAIRMAN MURPHY. I have already got them lined up.

THE PRESIDENT. Congratulations, Doctor.

NOTE: The President spoke at 12:35 p.m. in the Cabinet Room at the White House. In his remarks, he referred to Ann Southard Murphy, Mrs. Murphy's 7-year-old daughter.

98

Statement on the Death of Raymond Moley.

February 19, 1975

FOR NEARLY half a century, Raymond Moley was one of the most perceptive and penetrating minds on the American political scene. As a writer and adviser to Presidents and as an author, editor, and columnist, Mr. Moley knew Washington as few other men have, going back to the early days of Franklin Roosevelt's administration.

Mr. Moley was also a scholar—a man of reflection as well as action—and his sense of balance and historical perspective led him to oppose political extremes in either direction. In his long and active life, he excelled both as a practitioner and an analyst of the political process.

Mrs. Ford and I extend our sympathy to Mrs. Moley and the Moley family on the loss of this distinguished American.

NOTE: Mr. Moley was a contributing editor of Newsweek magazine from 1937 to 1968.

99

Statement on Senate Action To Delay Imposition of Oil Import Fees. *February 19, 1975*

THE ISSUE before the Senate was very simple—to vote for delay or to vote for doing something about our growing energy vulnerability.

I regret today's vote but do not regard it as final. I believe the Congress will ultimately respond to the will of the American people and serve national rather than narrow interests. I will continue to work with Congress to this end.

I intend to veto this legislation. I could not do otherwise and be faithful to my oath of office. I deeply believe a prompt solution to our energy problems is

essential to the safety and progress of the United States. I cannot be a party to further delay.

NOTE: The bill passed by the Senate, H.R. 1767, authority to impose fees on imports of petroleum would have suspended for 90 days the President's and petroleum products.

100

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Appropriations Legislation for the Transition From the 1976 to 1977 Fiscal Year.

February 20, 1975

I AM transmitting herewith draft legislation to authorize appropriations on a Government-wide basis for the period July 1, 1976 through September 30, 1976.

This bill is designed to aid the transition to the new Federal fiscal year period of October 1–September 30 which is scheduled to begin with fiscal year 1977 under P.L. 93–344, the Congressional Budget and Impoundment Control Act of 1974. It would carry out in large measure the requirement of Section 502(a)(2) of P.L. 93–344 that the President prepare and submit to the Congress “proposed legislation he considers appropriate with respect to changes in law necessary to provide authorizations of appropriations” for the three-month period of transition to the new fiscal year.

I believe the attached draft bill provides the most expeditious approach for easing the Government’s transition to funding on the new fiscal year basis and enabling timely provision of funding for the transition quarter. I request that it be referred to the appropriate committee and urge its prompt enactment.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

101

Message to the Congress Reporting on the Balance of Payments Deficit Incurred Under the North Atlantic Treaty.

February 20, 1975

To the Congress of the United States:

In accordance with Section 812(d) of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93-155), I am pleased to submit a fifth report to the Congress on our progress toward offsetting the balance of payments deficit resulting from the deployment of U.S. forces in NATO Europe.

As required by Section 812, the Department of Commerce has been working in consultation with the Department of Defense and the General Accounting Office to define the U.S. balance of payments deficit on military transactions incurred in Fiscal Year 1974 as a result of our NATO commitments. In my November report, I provided to the Congress tentative figures developed by the Commerce Department which estimated our FY 74 expenditures at \$1.983 billion. This has now been confirmed as the final FY 74 expenditure figure.

The Commerce Department is now in the process of identifying U.S. FY 74 balance of payments receipts reflecting military-related sales and exports to our European NATO allies, through both official U.S. Foreign Military Sales (FMS) and commercial channels. Once total receipts have been identified, they will be subtracted from the \$1.983 billion in expenditures to establish the FY 74 deficit. While the Department has been able to confirm Allied purchases through FMS channels, it has been unable to settle on a figure for commercial receipts. The Commerce Department's balance of payments accounting procedures are not in sufficient detail to permit it to isolate all of these purchases. Using information provided by our Allies through the NATO Economic Directorate, the Commerce Department is making an effort to identify as many of these transactions as possible and to include them in its calculation of the balance of payments deficit.

An interagency committee within the Executive Branch has been working to identify other transactions which serve to offset this balance of payments deficit. Of major importance is the FY 74-75 US/FRG Offset Agreement, which was described in some detail in the May 1974 report. We have since been working in cooperation with our Allies to identify additional categories of offsets. These will include Allied purchases of U.S. military-related equipment which cannot

be extracted from the U.S. balance of payments accounting system. I will provide details on these offset categories in my May 1975 report to the Congress.

Once our analysis has been completed and the FY 74 military balance of payments deficit has been established, I am confident that this deficit will be offset by the items we have identified and that the requirements of Section 812 will be met.

GERALD R. FORD

The White House,
February 20, 1975.

102

Toast at a Dinner Honoring the Nation's Governors.

February 20, 1975

Our distinguished Governors, your lovely wives, and our other very distinguished guests:

It is obviously a very great privilege and pleasure for Betty and myself to have you here with us this evening.

And may I propose a toast to our honored guests, the distinguished Americans who are here tonight, who provide the dedication, the imagination, the motivation, and the firm direction that all good government requires. And may I also propose a second toast to your husbands as well. [*Laughter*] We have got one exception, though.¹

Betty and I do wish to welcome you in our home. Well, we really don't own it. Let's say we have a rather uncertain lease. And while there has been a great deal of speculation as to when it might become vacant, I have to tell you one thing: Betty hates to move.

We do appreciate the honor of your visit, and as a small souvenir, it's my understanding Betty would like the ladies to have this first edition of a very special scarf she has designed with Frankie Welch over in Alexandria. I believe you found them on your chairs as you came in. Betty and I hope that even in the chilliest of days ahead they will prove, or provide you, I should say, with the warm memories of this particular evening.

This is our first formal dinner for all the Governors, and I hope it symbolizes

¹The President was alluding to Gov. Ella Grasso of Connecticut, the Nation's only woman Governor in 1975.

the new two-way street that I am trying to build between our statehouses across America and the White House in Washington.

I'm particularly happy that so many of the wives have joined us this evening. Betty and I welcome you and your husbands as friends, as coworkers in a very great cause, and as first ladies and chief executives of your States, the Commonwealth of Puerto Rico, and our Commonwealths.

During the past few weeks, I have had a very wonderful and, I think, beneficial opportunity to exchange views with many of you who are here this evening. I have listened closely to your suggestions for programs. I think that has been helpful to me and, I trust, as well to you. And I have explained to those that I have had an opportunity to, our views and our proposals. I believe we have achieved—even though we may have disagreed—a greater degree of understanding which we can build on in the years and months ahead.

Tonight we have a former Governor with us, my good friend, Nelson Rockefeller of New York. As you know, I have designated Nelson as Vice Chairman of my Domestic Council since he had such a very distinguished career and record as a Governor, which will be invaluable to him in this new role. I am counting on him to bring to the Domestic Council not only his wide experience as a Governor at the State level but also the concerns and the ideas that he can get from you who have had the practical experience along with him in this very important responsibility.

One area where Nelson is already hard at work is the congressionally mandated maze of hundreds of categorical grant-in-aid programs. When we are confronted, as we are now, with severe economic difficulties, it becomes even more imperative, in my judgment, that we begin to disassemble this maze of categorical grant programs.

I am extremely aware of the difficult problems facing you in the statehouses and our friends in local units of government. Revenues have not kept pace with the demand for services and the increases in cost. And because of fiscal problems at the Federal level, aid to State and local units of government cannot continue the increase of the past few years. It is therefore, in my judgment, of the highest importance that we remove some of these restrictions on Federal grants. I strongly favor—I'm sure you know by now—block grants over categorical programs.

I am asking the Congress to reduce some of the overwhelming complexity of the maze and give State and local units of government the greater flexibility in this area of need, where fewer Federal grants can go further than where you have the categorical approach. And these funds, if properly handled—and I have

great faith that they will be, it is my judgment, with less money and greater flexibility—a better job can be done with less and less bureaucracy.

As you know, we expect to submit legislation to give the States far greater discretion, far greater authority under a simplified system of transportation grants, but this is only one of the many, many steps that we hope to take in a concerted effort to eliminate categorical grants and to expand the block grant approach.

Judging from my talks with many of you individually as well as collectively, I know that I can count on you not to be shy about making your views well known. And I respect you and I welcome you for that frankness and that candor. And I appreciate your vigor—just spread it around a little bit in Washington, if you will, please.

With your help, I look to the Domestic Council to reflect in its policy advice to me and in assessing national needs a truly representative national viewpoint of understanding and cooperation. Let this partnership, as I see it, include especially the views of all officials of State and local units of government in showing the initiative and the responsibilities as embodied in the concepts of general revenue sharing.

Let me tell you, I know where the money comes from. The source is the taxpayer back home, not the Federal Government. We are only—in Washington—the conduit, so the funds can return home for local use by local authorities for their State and community programs.

And now that I have restated as emphatically as I possibly can my philosophy and the working relationship that I hope to achieve, in which you have been very kind and receptive, it seems to me that another toast is in order.

Let us drink to our friendship, to our partnership, and to the closer ties that we seek among us.

Ladies and gentlemen, to the United States.

NOTE: The President spoke at 9:45 p.m. in the State Dining Room at the White House.

Governor Calvin L. Rampton of Utah, the chairman of the National Governors' Conference, re-

sponded to the President's toast. His remarks are printed in the *Weekly Compilation of Presidential Documents* (vol. 11, p. 205).

103

Remarks Upon Receiving the Man of the Year Award From the Reserve Officers Association of the United States.*February 21, 1975*

Mr. Chairman, General Sorensen, distinguished Members of the Congress, members of the executive, fellow members of ROA:

This is a very high point in my career of public service. I, of course, am extremely proud of the award that Senator Stennis has read, but as I look at the names of those who have been previous winners, I feel very humble in their company. They have been men of great strength, great wisdom, tremendous dedication. They were big leaguers in every sense of the word, and to be a part of that group is a great honor. And I am deeply grateful and most thankful. Thank you very much, General Sorensen.

I am especially grateful for this high honor because of the boundless respect and admiration I have always had for the members of the Reserve Officers Association. The ROA has never lost sight of the goal of a strong and a secure America—a nation that stands steady because it stands ready. And to the fullest capacity that I can, I pledge to you that I will always stand shoulder-to-shoulder with the men and women here tonight who have helped to make this strength a reality.

As a member of the ROA, I want you to know how delighted I am to be here—to renew old friendships and to recall so many very happy memories.

Let me ask this question: Tell me, has this ever really happened to you? Before coming here tonight, I started reminiscing about my active service some years ago. I was telling my very dear wife, Betty, how our ship won the war in the Pacific. [*Laughter*] I have told her that quite a few times, and she still does not believe me.

I got a little nostalgic, and then I made a tactical error. I tried to put on my old Navy uniform. [*Laughter*]

Have you noticed how something happens to those old uniforms when you keep them in the closet too long? They start to shrink, particularly around the middle. Well, it took me 5 minutes to get into the coat and, then, 10 minutes to get into the pants. Incidentally, some of my critics might be interested to know the cap I put on still fits. [*Laughter*]

But I will tell you what finally changed my mind about wearing my blues tonight. Betty came over, took one look. And believe me, there is nothing more

embarrassing than having your wife tell you to pull in your stomach when you already have. [*Laughter*]

I think it is especially fitting this evening to recall the words and the deeds of the Father of our Country. Two hundred and forty-three years ago tomorrow—at Wakefield on Pope's Creek in Westmoreland County in the great State of Virginia—George Washington was born.

America esteems George Washington because he was not only our first President but, as ROA has noted, he was our first Reserve officer as well.

Washington's qualities as a military man and the builder of peace personified the finest dimensions of American character. Yes, George Washington still lives—in the spirit of the men and women of organizations like ROA.

As general and later as President, he faced great challenges and seemingly insurmountable odds. The Congress he served as the Continental Army's commander-in-chief lacked decisive leadership. Inflation was rampant. Funds to equip the Army were extremely short. Washington's troops even went without pay. Supply problems were incredible. Britain ruled the seas. Washington was forced to retreat from one battle to another for much of the war—to fight another day. But he won the last battle, which is, of course, the one that counts.

I think that is why Washington lives: his iron will, his dignity, his personal example—to the patriots of his day and of ours. In fact, this plain patriotism marked him for immortality. His incredible perseverance and tenacious endurance assured our independence.

Today, we are called upon to exhibit that same spirit which carried Washington and his Nation through some of its darkest days. It is imperative that we maintain a worldwide military balance. Yet, by some, we are being told that the price that is asked is too high.

Since I am speaking of defense and the cost for that preparedness, let me say a word about the defense budget. As a result of Congressional actions and inflation, defense spending in 1976—measured in real terms—will be more than one-third below the peak Vietnam war level and about 20 percent below the pre-Vietnam level.

As a percentage of total government spending—that is, Federal, State, and local—real defense outlays amount to about 17 percent, the lowest proportion since 1950—25 years ago. Since fiscal year 1968, the active duty strength of the Army has been cut in half. Our Navy will drop below 500 ships in the active fleet in the next fiscal year—the lowest level in more than 30-some years.

I hope that we will tell these facts to our friends and neighbors all over the country, because unfortunately too many of those that we live with in our

respective communities don't know the facts. They are fed a propaganda line that sounds good superficially but in truth could undercut our national security today and in the future.

It may not be a popular line to speak up on behalf of, because of the propaganda that comes from other sources. But you're right, and if you continue to speak with the facts as they are—and they are available—time will prove that you did much to save our country in the months and years ahead.

Let me say at this point that I, like all of you, believe in peace. I, like I suspect all of you, believe in détente. And I believe that both peace and détente are dependent on a strong defense. Therefore, I, like all of you, am determined to maintain that military strength.

That is why I, as well as you, consider the \$92.8 billion in defense spending which has been requested in fiscal year 1976 a basic minimum to assure the security of this Nation in an insecure world.

To your good friends, whose motives I don't challenge, who tell us that we must substantially cut the cost of defense—must also, to be honest and frank with all of us, acknowledge the risk involved. The declaration which our forefathers signed in 1776 launched the independence of this great Nation. And I will tell you this tonight: I, like you, will not sign any declaration of dependence and inferiority.

Not all good men agree on goodness. Not all just men agree on justice. But all free men agree that freedom requires sacrifice. It is costly. We must be willing to pay its full price.

Over the past 200 years, the American people have willingly paid the full price of freedom. I promise you that I, like you, will never turn our backs on defense, because we all remember when it saved freedom. I will never accept—nor will you—second best in defense, nor will I ever, like you, reject any full commitment to our Armed Forces and our solemn duty to the American people.

Without strength, we can have no freedom. Without freedom, we can have no peace. But with strength, we can have a world in which our children and our grandchildren can live both in freedom and in peace.

As a Reserve officer, like most of you here tonight—or as a former Reserve officer—I am aware of the dedication of each of you to the uniform in which you serve or did serve. Even more, I am fully aware of your patriotism and allegiance to our country. You and the men and women who serve so loyally in our Armed Forces deserve the highest accolades that this Nation can pay you. As you have in the past, I know that each and every one of you will continue to

provide that vital backup role that you have always played as an integral part of our Defense Establishment and posture. I thank you for this contribution which has been so significant over the years.

Let me conclude with this final observation, if I might. Of his many titles—President, general, revolutionary leader, colonial hero, Father of our Country—George Washington cherished most the very simple description of being a free man. In that spirit, I accept the high honor that you have bestowed on me this evening with the deepest gratitude and the most profound appreciation. I accept it and will do my very best to be faithful to its ideals.

Thank you very much.

NOTE: The President spoke at 9:46 p.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to Senator

John C. Stennis, chairman of the Senate Armed Services Committee, and Brig. Gen. Ted W. Sorensen, national vice president of the association.

104

Memorandum on Red Cross Month. *February 24, 1975*

Memorandum for Heads of Executive Departments and Agencies

I HAVE just issued a Proclamation [4352] which designates March as Red Cross Month. It will be a period when each of us should consider the volunteer spirit that prevails in this Nation as typified by the good works of the American Red Cross.

The Red Cross was on the scene last April in 13 of our States after catastrophic tornadoes leveled communities and left thousands homeless. Its volunteers and staff provided fast and open-handed relief to the victims. Similarly, the Red Cross was responsible for providing assistance in thousands of other disaster situations during the year.

When blood is required by the ill and injured, the Red Cross through volunteer donors provides the blood required to save lives to over half of the country's medical facilities.

Millions of us have acquired the skills that save lives in first aid and water safety courses taught by Red Cross volunteers.

And this Nation's veterans and members of our military forces turn to Red Cross volunteers and staff in time of personal and family crisis for help.

In issuing the Proclamation, I suggest that the Federal Government and its employees, including members of our Armed Forces, consider volunteering for

service with the Red Cross to help provide the support so necessary to preserve this vital voluntary effort.

GERALD R. FORD

105

Remarks at the National Bicentennial Conference.

February 25, 1975

Thank you very much, John. Distinguished Members of the Congress, members of the "Continental Army":

It is a great privilege and pleasure to join you this morning and to launch this extremely important conference of representatives from the Federal Government, the State Bicentennial Commissions, and the staff of the American Revolution Bicentennial Administration.

All of you have contributed, most significantly, thousands and thousands of hours of work preparing for events during the next 21 months. Your dedication will make this Bicentennial into a profound renewal for our great country, the United States of America. Your sense of having participated will be your best reward.

This group comes from many occupations and many different parts of our Nation, and I was privileged, yesterday, to meet so many of you personally. You reflect what I find most exciting about the Bicentennial activities: They flow from the spirit of all of our people. They are truly national in scope and truly nonpartisan. The Bicentennial involves all sections of our country and yet represents a unity of purpose. As all of you know, perhaps better than I, over 6,000 projects are now planned, with more being added every day and every month. They represent the diversity of our national heritage and the imagination of our citizens.

There are beautification programs, restoration projects, educational efforts, medical research—all under the Bicentennial banner.

In New York City, the South Street Seaport, with a museum and rejuvenated sailing ships, will commemorate the Bicentennial.

Third graders in Riceville, Iowa, sold cookies and Christmas trees to finance a Bicentennial mini-park.

And in the Texas towns of Howardswick, Clarendon, and Hedley, a community Bicentennial amphitheater is being built of bricks handmade by the schoolchildren of those three towns.

I think these projects show there is not just one way, but many, many ways to observe the Nation's 200th birthday. And I vividly recall, as a young lad, being taught that the beauty of Joseph's coat is its many, many colors. Just as the strength of the Nation comes from the richness of its many ideas, so does the strength of the Bicentennial.

This celebration period is an important opportunity for this Nation to reflect on the past and, even more so, to look to the future. John Adams envisioned the celebration of the Declaration of Independence in a letter to his wife, Abigail, in July of 1776. John Adams wrote the following: "I am apt to believe that it will be celebrated by succeeding generations as the great anniversary festival. It ought to be commemorated as the day of deliverance, by solemn actions of devotion to Almighty God. It ought to be solemnized with pomp and parade, with shows, games, sports, guns, bells, bonfires and illuminations, from one end of this continent to the other, from this time forward forevermore."

John Adams, who would later be the first Vice President and the second President of the United States, did not know, at that time, what the outcome of the Declaration of Independence would be, nor did he realize that the day would come when the United States would stretch across the continent and across the distant seas.

But like other revolutionary leaders, he had faith in the future of the unformed nation. Those were exciting, those were frustrating, and those were confusing times.

Letters and newspapers were carried by horseback or by ship, but the ferment of the ideas was strong enough to overcome the limited means of communication.

The Continental Congress, composed of representatives from different States, oftentimes with conflicting interests, faced the almost insurmountable job of agreeing long enough to fight a war with limited funds and limited manpower.

It was a tough job, because it is always difficult to unite clashing demands. But the job was done, the Revolution was successful, and a unique Constitution was written. Those Americans did not fail us.

As Thomas Jefferson wrote Lafayette: "We are not to be expected to be translated from despotism to liberty in a featherbed."

And the Americans who inherited the new form of government knew what Jefferson meant. They did not fail us. We are here today because no ensuing generation of our fellow Americans found self-government to be a featherbed.

Now, as we commemorate the deeds of the first citizens of the Nation, we

must look, as they did, to the future. We must ask ourselves what will we leave to the next generation? What will America be in another 200 years?

I concede it is almost beyond our ability to foresee. Jefferson, Franklin, Washington, and others could not know what their efforts would produce; neither can we. But we can act to honor our highest obligation, to leave the Nation free and secure, as it has been passed down to us.

Each generation has been called on to accept the challenge of a different crisis, and each generation has lived up to its responsibility.

In 1812, our young Nation faced its first war—another struggle with Britain. The Capitol and the White House were burned, and President James Madison and his wife, Dolley, fled the city. But the fledgling Nation pulled itself together and survived. The Capitol and the White House were rebuilt. The country continued to grow. Those Americans did not fail us.

When the debate over slavery and union erupted into war, Americans fought Americans, but the end of the war brought renewal, and the task of settling the continent went on. Those Americans did not fail us.

When a great crisis of spirit caused by the Depression struck the Nation, millions of Americans living today did not fail us. They pulled themselves together and kept the Nation going.

In two World Wars, Americans gave their time, talent, resources, yes, and many their lives, to keep the cause of freedom alive. They did not fail us.

In unhappy times and unpopular wars, Americans accept the challenge. No generation of Americans has failed to accept the necessary sacrifices of the day. I am convinced we will not fail ourselves or future generations.

Today, we face new challenges—our economic and energy problems. New perceptions, yes, and new priorities are required to meet new difficulties.

We are engaged in a great national debate on how to solve economic and energy problems of very serious proportions. Solutions will require the same hard work and tenacity required to wage a successful revolution, establish a working government, carve a civilization out of the wilderness, produce the greatest industrial machine ever developed, and to also produce the highest standard of living of any nation in the world.

In another 200 years, in 2175, Americans will prepare to celebrate the Nation's 400th birthday. We must act now so that they can say of us: "Americans in the 1970's did not fail us."

We can remember the past with flags and parades and fireworks as Adams envisioned in the first summer of our independence, but to honor the past, we

must hand this magnificent experiment in self-government on to future generations, free and strong.

As we prepare for our Bicentennial, we must join together to make sure that America's past is truly the prolog to a greater future. We must not fail. We will succeed.

Thank you very much.

NOTE: The President spoke at 9:35 a.m. in the International Ballroom at the Washington Hilton Hotel. He was introduced by John W. Warner,

Administrator of the American Revolution Bicentennial Administration.

106

Remarks at the Women's Forum on National Security.

February 25, 1975

Mrs. Kubby, ladies and gentlemen:

It is a great privilege and honor for me to be here and to participate in the Women's Forum on National Security, and I thank you very much for the opportunity.

As I look around the room on this occasion, it brings back to me the memories of previous occasions. So, I know from the very outset that we share the same vision for America, a free, rising democracy, and we also share the awareness that only a strong America can stay free.

I am greatly impressed with the theme of your gathering—"Peace, a common purpose." This is the link that brings us together on this occasion and will be a link as we move forward to keep America strong and prepared to keep the peace.

Let me express from the bottom of my heart my thanks for your past efforts to bolster our national security. As I said earlier, I recall very vividly meeting with your group on previous occasions. You and the 2½ million women in all of our 50 States, the Philippines, Puerto Rico, Panama—which all of you represent—are one of the most potent and effective grassroots lobbies we have for a peaceful and secure America, and I congratulate you for being here and for your never-ending efforts in this very high purpose.

I know from my experience of 25 years in the Congress you do a great job. I can say without any hesitation or qualification you have my blessing and strong support, and more importantly, you have my gratitude.

You have a great mission, and you have performed it well, and the American people are deeply indebted to you.

I know from your past record that you will keep up the good work. And this year it is probably more important than ever that we have your help and assistance, because there are people in the Congress and people throughout the United States who will want, in one way or another—and I do not challenge their motives—who will seek to undercut and make less effective our military capability.

It is my deep conviction that peace depends upon a strong defense, a strong Army, Navy, Air Force, Marines, Coast Guard.

The new defense budget that I have submitted to the Congress is a big budget, but I can assure you, from the material that has come to me and the work that I and others have done on it, it is the defense budget that is needed, is required to keep us free.

To slash that budget because of some preconceived ideas or without adequate information is a gamble with our future, our security, our freedom, and if I may borrow your theme, to weaken the chances for our common goal of peace.

In the 25-plus years that I was privileged to serve in the Congress, I had many opportunities to meet with representatives from my Congressional district from your group, or from my State officials or, as I said earlier, the opportunity to meet with this group as a whole.

I compliment those of you who are here, and I am sure you are of the same background as the others on the knowledge, the information that you have concerning our military budget.

So, as you get some inspiration here on this occasion, I hope that you will go back to your respective States and become the missionaries that are necessary to affect people throughout the United States, that you will be able to answer the questions that people legitimately ask, that you will be able to inform those who are uninformed so that when Congress comes to act on the defense budget, it will have the support of the American people.

I can assure you that if the defense budget is slashed by those who are uninformed or those who have preconceived ideas as to what is enough, that we can get the help and assistance of people like you and those you influence to correct any errors that are made.

If we are to call upon our young people to serve in many parts of the world—thank goodness now in peacetime, not in war—then we have an obligation to make certain and positive they have the best weapons, the best training, with their skills and their dedication, with the proper military equipment that will keep the peace and protect our homes.

That wherewithal—research, development, maintenance, operations, equip-

ment, procurement—all of that is funded by the defense budget that has been submitted to the Congress.

We are trying to attract the finest young men, and we are seeking to retain young men and women in the military so that they can do that job for us of maintaining the peace throughout the world.

It seems to me that the least we can do is to make sure that enough money is available so that they have our backing as they perform a great responsibility for you and for me and for millions of others.

I close by simply saying, I thank you. Millions of other Americans will thank you. Those who are in civilian clothes, those in the military who are at far-off outposts, or sailing the seas, or flying aircraft, or digging Army or Marine Corps operations—they are the ones who will thank you, because you are making it possible for them to be the best equipped, the best trained, and the most alert military in the history of the United States.

Thank you very much.

NOTE: The President spoke at 9:45 a.m. in the Georgetown Room at the Washington Hilton Hotel. The Women's Forum on National Security consisted of the ladies auxiliaries of 18 national veterans organizations.

In his opening remarks, the President referred to Mrs. Maurice Kubby, president of the American Legion Women's Auxiliary and chairperson of the women's forum.

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**Letter to the Speaker of the House Urging Action on
Supplemental Military and Economic Assistance for Cambodia.
February 25, 1975**

Dear Mr. Speaker:

I wish to convey to the House of Representatives my deep concern over the present critical situation in Cambodia. An independent Cambodia cannot survive unless the Congress acts very soon to provide supplemental military and economic assistance.

Unless such assistance is provided, the Cambodian army will run out of ammunition in less than a month.

The Cambodian people are totally dependent on us for their only means of resistance to aggression. The Communist forces now attacking have a constant, massive outside source of supply from the North as has been demonstrated by their ability to sustain the current heavy offensive.

If additional military assistance is withheld or delayed, the Government forces will be forced, within weeks, to surrender to the insurgents.

The economic situation is almost as difficult. Refugees forced to flee their homes by the Communists' repressive measures and scorched-earth policies have poured into Phnom Penh and other cities. Severe food shortages are already beginning. If the Congress does not provide for continued deliveries of rice and other essential supplies, millions of innocent people will suffer—people who depend on us for their bare survival.

The Government of the Khmer Republic has demonstrated on countless occasions its willingness to negotiate a compromise political settlement to bring peace to its tormented land. It has been proven over the past two years that the progressive cutbacks of American support have only undercut the possibilities of negotiation by encouraging a ruthless enemy in the hope of obtaining a total victory.

These are the harsh realities which the Congress must bear in mind as it considers the Administration's request for supplemental assistance to Cambodia.

It has been a basic policy of this Government to give material support to friends and allies who are willing and able to carry the burden of their own self-defense. Cambodia is such an ally.

This is a moral question that must be faced squarely. Are we to deliberately abandon a small country in the midst of its life and death struggle? Is the United States, which so far has consistently stood by its friends through the most difficult of times, now to condemn, in effect, a small Asian nation totally dependent upon us? We cannot escape this responsibility. Our national security and the integrity of our alliances depend upon our reputation as a reliable partner. Countries around the world who depend on us for support—as well as their foes will judge our performance. It is in this spirit and with this sense of responsibility, Mr. Speaker, that I urge rapid and favorable action on my request for additional assistance to Cambodia.

Sincerely,

GERALD R. FORD

[Honorable Carl Albert, Speaker of the House of Representatives, Washington, D.C.]

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Remarks at the White House Conference on Domestic and Economic Affairs in Hollywood, Florida. *February 25, 1975*

Governor Askew, members of the Cabinet, distinguished public officials, ladies and gentlemen:

It is a very high honor and a very great privilege for me to have an opportunity of coming to the great State of Florida and participating in this conference, which I hope and trust will be beneficial not only to you individually but to this area, this State as a whole.

I am deeply indebted to the Governor for three specific things: Number one, the very warm welcome that he and Mrs. Askew gave to Betty and me at the airport, the opportunity to talk with them on the way in from the airport, and for that I thank both you and Mrs. Askew, Governor.

Number two, I am deeply grateful that the Governor came to Atlanta several weeks ago when we had a comparable conference, and I had the opportunity of hosting some 10 or 12 Southern and Southeastern Governors, where we spent the evening discussing various problems that were related to their respective States and problems that I, or we, had at the Federal level.

The one suggestion that I remember most vividly came from Governor Askew. He said that the State of Florida had very high unemployment in the construction industry, they had available money to carry out an expedited Federal aid to highway program, and that he was interested in meaningful jobs.

I promised that I would go back to Washington and take a look at the availability of some money that the Federal Government had impounded in the Highway Trust Fund. And we looked the situation over, and as a result, some \$2 billion of Federal aid to highway funding was made available to the 50 States.

For that suggestion, Mr. Governor, I thank you very much, because it will mean significant jobs. They expect about 125,000 to 130,000 jobs throughout the United States as a result, and it will mean safety on the highways and it will mean the completion in many instances of some of the missing links in our interstate system.

Of course, I thank you for the fine turnout of all these great citizens of the State of Florida on this occasion. It is a privilege and a pleasure for me to be here.

I was telling the Governor that my parents came here almost regularly every year for a number of years, quite a few years ago, and my wife—she always has loved it down here. And I must say it has got a great appeal to me.

It is a dynamic State. It is a friendly State. It is a State that is a very strong and integral part of our Union. As a matter of fact, Florida is the wave of the future.

You have had phenomenal growth. It is an area of tremendous change and challenge. And I am well aware of the great contribution of your Cuban-American community to your culture and your economic prosperity.

Here in Florida you have lived at the starting line of America's adventure in space, the breaking of one space barrier after another. We have now reached, as all of you know, beyond the Moon to the most distant of our planets.

You have been part of massive technological breakthroughs, and these advantages have opened up vast new horizons to mankind here on Earth.

I think the record is quite clear. Life has changed more in this century than in the preceding 2,000 years. The world has literally been transformed. Our mission, your job and mine, is to confront these changes with modern-day answers.

The greatest change is in the cost of energy. The United States must declare independence from foreign sources of energy, and the sooner the better. The public and private sectors of our society will spend literally hundreds of billions of dollars over the next decade to explore and to develop new energy. Millions of workers and the massive power of our technology will combine to attack the problems before us. I am always an optimist. We must and we will win that struggle.

The facts are we are now importing more oil, foreign oil, than ever before, before the embargo. As a matter of fact, just a year ago we were importing roughly 6 million barrels a day. Today we are importing roughly 7 million barrels per day, and as a consequence, we are faced with even graver risks today than we were 12 months or 18 months ago.

I can see nothing but folly in pouring out more and more of our own national treasure to meet the ever-rising and intolerable costs of high-priced foreign oil.

Two hundred years ago, George Washington threw a dollar across the Rappahannock and made history. It is in all our history books. Today, unfortunately, the American people are throwing \$70 million a day across international waters, and many too many people really do not care whether we do it or not. That is an intolerable situation.

If the Congress takes the 90 days it is demanding to develop its own energy program, every single day will be one day of costly delay, adding about \$200 million in costs for petroleum imports alone during this 90-day span of time. And if enactment of our comprehensive energy program is delayed for the

remainder of this calendar year, we would pay out a total of more than \$2 billion more for foreign oil.

Unfortunately, the Congress seems to be embarked on a massive gamble, a risk of increasing this Nation's vulnerability to future embargoes, which we cannot afford. I would much rather invest the \$200 million, or \$2 billion as the case might be, in American jobs than send them abroad.

Nearly 6 weeks ago, I submitted to the Congress an action program. I made detailed economic and energy proposals. But the Nation still waits for Congressional action, even such action that would make Americans just 1 gallon less dependent on imported oil, or put just \$1 back into the citizen's pocket through the tax rebates that I have proposed.

In the process of developing this plan, I was the beneficiary of what was called "Project Independence." Here is a multi-page document, about 325 pages, the result of the most exhaustive examination of the problems of energy ever made in the history of the United States. Expert after expert worked literally months putting this document together, and what it is, is an analysis of the problem with one option after another for those who have to make decisions.

My advisers, the Secretary of the Interior Rog Morton and others, and myself spent a good many hours studying, analyzing, making some rational decisions on the basis of this factual information. I concede, right now, that most of the problems we faced were not easy. They were not either black or white. Many of them meshed. Many of them were very controversial. Many of them were marginal decisions. But we spent a great deal of time coming to some rational decisions. And the net result was that, in late January, I submitted to the Congress a bill which is about 167 pages. It includes the particular recommendations that were made for affirmative action to solve the energy problem, to make us less vulnerable to foreign oil imports, and to give us an opportunity to meet any challenge so that we could stimulate production and conserve what we have.

Now, I have not been very popular in recent weeks with some of my old friends in the Congress, because I used an administrative tool that they gave to the President, before I became President, whereby I could impose, through a declaration or proclamation, an import levy of \$1 or \$2 or \$3 on every imported barrel of oil. Now, this was an administrative action taken solely for the purpose of forcing the Congress to act. And why did I do that?

Well, I have heard for the last 3 years in the Congress, one President after another, one proponent after another tell the Congress and the American people that we had an energy problem, we had to do something about it, we had to find new sources, we had to stimulate alternative sources of energy, and we had to

learn to conserve. But it is literally true—little, if any, legislative action had taken place. So, I decided that as long as Congress had given me this authority, I was going to use it to make them come up with an answer.

I had submitted an answer, or at least one I thought was a good one, and what I found was that we literally had 535 answers in the Congress, the House and the Senate, but no one answer or no consolidated answer. And frankly, my old friends, when they saw that the pressure was on and they had to come up with something, they went to work.

Now, I have got some good news and some bad news for you. The bad news is, I picked up the evening paper from Washington, as I left the National Capital today, and my good friends across the aisle, according to this headline, says "House Democrats Plan 16 Cents More on Gas Tax." Now, that is bad news, because I do not think that is the right answer.

But the good news is that they are focusing in on the problem, that they finally have decided in this—Democratic as well as Republican—that there is a problem, there must be some answers, and that they have to come up with either their solution or take mine and modify it or change it. The good news—and it is good news—we can argue about the differences, our solution or theirs, but the main point is that Congress now is beginning to realize they have to have an answer. What they are really doing is studying this, and if they do, I think they, as well as myself, will come pretty close to the same answer. That is important for the national security of the United States.

We have had a little problem. They have passed legislation to take away this authority that I have been using to get some action. Unfortunately, I am going to have to veto it. And I hope we can get enough votes to sustain it, so that then we can join hands and work together in trying to find an answer. And I suspect it will be sustained. I am optimistic. And then we can sit down across the table, both the House and the Senate, Democrats and Republicans, and have an energy plan that will solve our present as well as future difficulties.

Let me just say, the practical energy program that I have submitted—if I could run down a few of the points—it will give us energy independence by 1985. It will increase domestic energy production, conserve energy, and it will prepare us for any future embargoes.

In brief, I think we have got to allow competitive pricing of new natural gas supplies. We must increase production of oil and gas from our Outer Continental Shelf. We must double production of domestic coal supplies. We must amend the Clean Air Act to achieve a better balance between our energy and environmental requirements.

We now consume approximately 17 million barrels of oil per day, about 7 million from foreign sources. By 1985, we will be consuming in total about 24 million barrels a day. Unless something is done, imports will rise to 12.7 million barrels. This is over half of the total we use and puts us at the mercy of others. By adopting the suggestions that I have recommended to the Congress, we can become independent of foreign oil by the mid-1980's and at the mercy of nobody—nobody.

We can and we must reduce our needs from the projected 12.7 million barrels to less than 5 million barrels. Strategic petroleum reserves would replace 3 of these 5 million barrels in the event of a national emergency. They could be used.

This is what I envision for America if this plan that I have recommended, or something reasonably comparable to it, is enacted into law. By 1985, we could have 200 major nuclear powerplants, 250 major new coal mines, 150 major coal-fired powerplants, 30 major new oil refineries, 20 major synthetic fuel plants, drilling of thousands of new oil wells, the insulation of 18 million homes, the manufacturing of millions of new cars, trucks, and buses that will use far less fuel.

I might say that we have an agreement in writing with the major automobile manufacturers that if we agree to the California standards for emissions, which is a higher standard than we have today, they will guarantee in 5 years to get a 40-percent increase in automobile efficiency. That means 40 percent less gas utilization. This is the kind of a program that is included in that bill that I showed you.

Now, to achieve our goals for beyond 1985, I have asked the Federal agencies—particularly the Energy Resources Council and the newly created Energy Research and Development Administration—to work with the private sector to develop a broad range of technologies that can tap all of our domestic energy resources. This means not only coal, oil, gas, and nuclear resources but the emerging alternative sources such as solar, geothermal, and oil shale energy.

These are what we call, more or less, the exotic fuels. Over the next 5 years alone, the Federal Government plans to spend \$11 billion in energy research and development.

Let me illustrate the magnitude of this research and development program. In 1976, we have recommended in the Federal budget \$2,300 million for energy research, more than double the amount of the last 2 years.

We recognize that America is very rich in energy resources. We have, potentially, a thousand years of nuclear fuel. We have hundreds of years of coal

resources. Our potential for solar energy is unbelievable. Large deposits of untapped oil shale and geothermal energy lie beneath our Western States.

We have an obligation, as I see it, to find ways to use these resources economically. At the same time we must use them in a manner that is environmentally acceptable, and we must keep our options open. Our capabilities must be broad and flexible so that we can develop varied sources which are not mainly dependent on only one or two. That is why we have launched a comprehensive Federal energy effort that will cooperate closely with American industry.

Let me for a few moments discuss with you some of the very exciting, exotic energy alternatives—and this seems quite appropriate in a State like Florida where you seem to have a great vision of the future. Since conventional oil and gas comprise less than 10 percent of our proven domestic reserves in fossil energy, a major thrust in our research effort aims to develop new technologies for efficient, clean use of our coal and oil shale resources to provide energy for utilities, industries, as well as homes.

To this end, the Federal Government has already undertaken a very broad program to develop coal gasification, liquification, and advanced technologies for utilizing oil shale. Before the end of this year, for example, four pilot plants will be in operation to convert coal to gas for home use. Another four plants to convert coal to oil for commercial and industrial use are under construction or will be in operation.

If our Nation is to achieve energy independence, nuclear power must be developed to its fullest potential consistent with public health and public safety. In addition to getting current generation nuclear powerplants on line much more rapidly, we must develop a new generation of nuclear reactors.

This includes the so-called fast-breeder reactor. Only by this means can we capture the full potential of our nuclear resources. Future reactors of this kind will be capable of fuel efficiencies some 60 times greater—some 60 times greater than the present nuclear light water reactors.

Uranium supplies will thus be extended for literally centuries rather than just a few decades. Obviously, it is a big and it is a very difficult job, but we must do it, ensuring that the safety of the public is not endangered and that our environment is adequately protected.

Our 1976 budget also provides for a very vigorous, long-term program to develop controlled nuclear fusion. There are serious scientific and serious technical problems to overcome before we achieve practical fusion. However, this effort holds our future hope for vast amounts of clean energy. Fusion along with solar

energy are—the two are very unique in that they may supply energy for thousands of years into the future.

Our 1976 energy program also includes an accelerated solar energy effort far larger than anyone ever imagined several years ago. This is particularly important, I would think, down here in your great State of Florida. As a pioneer of solar energy dating back to the 1930's, the Sunshine State can now play a very leading role in the application of solar energy to commercial and private buildings.

The program that we are advocating is designed to help develop technologies for solar heating and cooling by converting solar energy to electricity, by producing power economically from the wind, and exploring the potential of other solar techniques.

The Federal Government, your Government, already has major solar heating and cooling experiments underway in a half a dozen States throughout the Union. For example, the first demonstration for solar heating in a hospital will be in a new 200-bed hospital on an Indian reservation in the State of New Mexico. Solar heating is being utilized on an experimental basis in several Federal buildings that are currently being constructed.

Your Government is exploring the potential for central station production of electrical energy from solar energy sources. Just one of these stations, with a few square miles of collectors, could some day supply the energy needs of a city of 250,000. This technology at the present time is very expensive, and it takes many years to develop it commercially, but we are on the way and we are going to continue to push.

The use of geothermal energy holds a great potential. I was at Los Alamos out in the State of New Mexico at our nuclear facility there, and some of the things they showed in the field of geothermal energy production was unbelievable.

There are large underground hot water areas which will be the source of significant electricity within the next 10 years, mainly in the Southwest and the Far West.

Earlier this month in southern Idaho, drillers tapped a new hot water resource for geothermal development. Our first efforts to extract energy from dry hot rock, potentially the largest geothermal resource, are underway.

With Federal support, this country, as I see it, is on the road to producing alternative automotive engines with obviously far greater fuel efficiency. And this is over and above or beyond what I mentioned a few moments ago with the agreement of the automotive manufacturers to increase automotive efficiency by 40 percent in the next 5 years.

As we look back, energy was once relatively cheap in America. As a matter of fact, in 1970 we were paying about \$3 billion a year for foreign oil imports. Last year it was \$24 to \$25 billion, and if we do not do anything about the problem, it will be \$32 billion a year by 1977.

Well, the day of cheap energy in America is gone. We must conserve through the development and the application of improved technology, but we must have more efficient means for energy conversion, transmission, distribution, storage, as well as utilization.

What I am saying is simply this: We must solve our energy problems, and what the Governor said at the outset is so true. There is no easy answer. Every program—I don't care whose it is—will require sacrifice, will require to some extent a change in our day-to-day living.

But if this country is to maintain its strength, its invulnerability, and its great opportunities for the future, we must move ahead with a solution.

I can assure you that we in the executive department, I and my associates, will do our part. I believe in the final analysis the Congress will do its part. What we need is the strong support and understanding of people all over the country.

I think we have to ask ourselves, individually as well as collectively, the following: Will future generations say that we in the 1970's met that challenge? Will they say this was the year of the decline and the fall of the American dream, or will they say that we were worthy of their trust?

I think we can and will be worthy of their trust. I call upon everybody, those here as well as elsewhere, to join with the Congress and myself in confronting the changes before us and in conquering the challenges ahead.

This is important so that we may say to those who follow, "We strengthened our place in the sun, we faced up to our responsibilities, and we succeeded."

Thank you very much.

NOTE: The President spoke at 4:40 p.m. in the Convention Hall at the Diplomat Hotel.

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The President's News Conference of *February 26, 1975*

THE PRESIDENT. Good morning. First, let me express my appreciation to the people of Florida for their hospitality. It has been a pleasure being here, and I look forward to the rest of the day.

STATEMENT ON DISCRIMINATORY PRACTICES IN THE INTERNATIONAL BANKING
COMMUNITY

[1.] Before answering questions, I have a short prepared statement that I would like to make at the outset. It reads as follows:

There have been reports in recent weeks of attempts in the international banking community to discriminate against certain institutions or individuals on religious or ethnic grounds.

There should be no doubt about the position of this Administration and the United States. Such discrimination is totally contrary to the American tradition and repugnant to American principles. It has no place in the free practice of commerce as it has flourished in this country.

Foreign businessmen and investors are most welcome in the United States when they are willing to conform to the principles of our society. However, any allegations of discrimination will be fully investigated and appropriate action taken under the laws of the United States.

Mr. McDermott [John McDermott, Miami Herald].

QUESTIONS

THE MIDDLE EAST

[2.] Q. Mr. President, what was behind Dr. Kissinger's recent observation that some day we might have to go in and destroy the oil wells of the Middle East? Do you envision such a possibility ever happening?

THE PRESIDENT. I do not recollect the precise statement that is attributed to the Secretary. I suspect you are referring to the oft-quoted statement about "strangulation."

I have answered that question, as has the Secretary, on a number of occasions. To be repetitive at this point, I think, might only increase speculation. The facts are that there was an answer to a very hypothetical question of the most extreme circumstances, and both the Secretary and I have indicated our views on the subject.

Q. Thank you, Mr. President.

REPUBLIC OF VIETNAM AND CAMBODIA

[3.] Q. Mr. President, is what you call our moral commitment to arm South Vietnam and Cambodia open-ended? And what are you doing specifically to bring the warring parties to the peace table?

THE PRESIDENT. Well, the commitment that we have to the South Vietnamese and the commitment that we have to some extent in Cambodia is one that we as the United States agreed at the Paris peace accords, that we would withdraw our forces and that, hopefully, peace would be established in Indochina.

Part of our commitment was that we would, in the process or as the result of the withdrawal of our own military personnel, we would continue to supply arms on a replacement basis, and that commitment was predicated on the willingness of the South Vietnamese to fight aggression from North Vietnam.

The South Vietnamese are fighting, are trying to protect their country, and are seeking to defend their country from invasion. It seems to me that as we look back at our participation in the Paris accords and the promises that were made, as long as they were willing to fight against aggression and invasion, that we had an obligation to help them with military equipment on a replacement basis.

The situation there is one that I am willing to negotiate with the Congress. I indicated that if the Congress would join with me, we would make a firm and final decision on a 3-year basis to permit South Vietnam to get over the current crisis that they face.

I think that would be a reasonable solution. I am told that the South Vietnamese in a 3-year period, with our military and economic aid, would be able to handle the situation.

Q. What about Cambodia?

THE PRESIDENT. In Cambodia, the problem there is extremely critical. Unless there is additional U.S. military aid, as I have recommended, the Cambodians will run out of ammunition in a relatively short period of time. I think that would be most unfortunate, because if they are able, between now and the end of the dry season, to maintain their national integrity—the present government—there is a possibility of negotiations that might end the war in Cambodia.

ENERGY AND ECONOMIC PROGRAMS

[4.] Q. Mr. President, with reference to your energy-economic program, Congress is going off in one direction, you have suggested another direction. You have also suggested that you are willing to compromise. I wonder if you might specify some of those areas of compromise?

THE PRESIDENT. I wish there was a single plan proposed by the majority party in the Congress. It is a slight exaggeration, but there are many, many plans that have been discussed by the majority party. I can think of three in particular: the plan that is proposed by Senator Pastore, the plan that is proposed by Con-

gressman Jim Wright of Texas, and the plan that has been proposed by Chairman Al Ullman of the House Committee on Ways and Means. And I understand there are many more.

What we need is a plan that the Democrats can agree on, if they can, and then we can sit down and, hopefully, negotiate. I am willing to cooperate, but we have to have something to cooperate with. And so far, they have not come up with anything where they are in agreement. So, until they do, we are going to pursue our plan, which I think is fair and equitable and a solution to the energy problem.

Q. Are you saying you need a single package plan from the Democrats before you will negotiate?

THE PRESIDENT. I think that is a fair statement, and I think it is a fair proposition. We have to sit around a table with a group or somebody, where they say, "Here is our plan" and "Here is my plan." And then we can try to integrate them. But until they have some consensus on their side, we are in the position where there is no real viable plan for us to take a look at.

Now, I intend to keep the pressure on. The pressure that I have used in legal and legitimate ways has precipitated more response in the Congress than any time in the last 3 years. We still have some time, and when I get back to Washington, if they have got a plan where they agree, then we can sit down and negotiate.

TAX REDUCTION

[5.] Q. Mr. President, some of the news executives who had breakfast with you this morning report that you talked about Congress not acting on an anti-recession tax cut until June. Are you really that pessimistic about the outlook?

THE PRESIDENT. I certainly hope that Congress acts before then, but I submitted my economic plan for the stimulation of our economy so we could reduce unemployment, so we could increase employment, in January—I think it was January 15 of this year.

And our proposal was very simple, and hopefully it would result in Congress acting very quickly. It is almost 5 weeks now, and the House of Representatives has not yet acted. I hope they act this week. Hearings probably will start in the Senate Committee on Finance next week. And then it has to go to the Senate. And then, if there are differences between the Senate plan and the House plan, it will have to go to conference. That could conceivably take until June.

I think that is very ill-advised and extremely serious. We had hoped that Congress would act by the middle of March at the latest, and they could have if they had taken the simple specific tax reductions that I recommended.

Unfortunately, the parliamentary process has been slowed down in the Congress, and the country has been the loser. We need a stimulant now, and I hope the Congress will realize the urgency of the need for action. And I trust that now that they have been reminded of their slowness, that they will expedite the process.

THE OIL INDUSTRY

[6.] Q. Good morning, Mr. President. I am Dick Powers from the [Fort Lauderdale] Sun-Sentinel. Last week, here in south Florida, George Meany proposed the nationalization, as an ultimate solution, of the oil industry. Heretofore, there have been proposals from Congress for the nationalization of health insurance and for utilities and for the railroads. Do you see these proposals as a reluctance on the part of the American people to tough out our economic woes and accelerate a drift into socialism, sir?

THE PRESIDENT. I do not think the nationalization of any industry in the United States is in our best interest, nor do I think a government monopoly in any industry is a good answer. Without being critical of individual employees of the Postal Service, I think the Postal Service has not been as good an answer as we would like to the delivery of mail; we are trying to improve it. But it does seem to me that there is a better answer to the energy problem than the nationalization of the oil industry.

We do have to stimulate production. We do have to, through the windfall profits tax that I have proposed, keep profits at a reasonable level. We do have to make sure that we get away from foreign oil imports. But I honestly do not believe that nationalization is the best answer.

OIL PRICES

[7.] Q. Mr. President, on oil—with your favoring of a minimum price level and oil deregulation—won't you be guaranteeing to the oil companies a revenue bonanza that is based solely on the arbitrarily high price levels that have been set in the past year or so by the OPEC countries?

THE PRESIDENT. My energy program does not guarantee any specific price except that we have been negotiating with other consuming nations for what is a minimum price or a floor price.

A minimum price at a reasonable level is a way in which we can continue to stimulate domestic production of additional oil, additional natural gas, and other energy sources such as solar, geothermal, et cetera.

We are not guaranteeing oil companies any particular price, and if there is a windfall profit, then the Congress has an obligation to enact my windfall profits

tax so that there will not be inequitable benefits from the energy crisis by the oil companies.

GASOLINE RATIONING AND OIL IMPORT ALLOCATIONS

[8.] Q. Bill Groves from Jacksonville [WJXT-TV]. Mr. President, is it true that either rationing or allocation would be less inflationary than the package you have proposed and would be less burdensome on those least able to pay?

THE PRESIDENT. I do not think that is the fundamental issue that is involved. Rationing, gasoline rationing, for example, would be very inequitable, and it would not provide any stimulant for new sources of energy, either oil, natural gas, or any of the others.

Allocation—import allocations I assume you are referring to—according to the experts that have looked at it, that I have listened to, tell me that would probably be more injurious to our economy than any other procedure that was used. You would have government officials making arbitrary decisions as to how much oil could go to one industry or to another, and that would inevitably be discriminatory.

I happen to think that the price mechanism procedure which I have proposed is a better plan, because it gives flexibility to users to make those basic decisions. Now, the plan that I have recommended has—according to the experts that we have talked with and I have listened to—would have a one-shot increase in cost. On the other hand, through the tax rebate program that I have recommended, the added energy cost to individuals, to business, to government would be returned to those people who have had an added cost.

So, it would be neutral as far as the users are concerned, and it would stimulate production, which is what we really want.

UNEMPLOYMENT

[9.] Q. Mr. President, now that unemployment has reached a very high point—and it seems likely to go even higher—is there anything that you can do as President to alleviate the situation without going to Congress. And if there is, what is it and do you intend to do it, and if so, when?

THE PRESIDENT. Well, number one, we submitted an economic plan to the Congress, a tax reduction proposal that would have returned to taxpayers or resulted in a reduction in taxes of some \$16.5 billion. That proposal is on the agenda of the Congress.

I wish they would act more quickly, and some of our problems might be alleviated. Other than that, I think we have to seek to restore public confidence in the system and in the prospects for economic revival.

There is some evidence that the public now believes, as most experts agree, that we are bottoming out, so to speak, and the prospects for an increase in employment and a decrease in unemployment will come sometime in the third or fourth quarter of 1975.

Q. So, what you are saying then is that there is really nothing more that you as President can do.

THE PRESIDENT. I do not believe so. On the other hand, if there is anything—instead of increasing expenditures, as some have suggested—I would favor a larger tax decrease, but at the present moment I do not think we have reached that point.

I simply would hope that the Congress would act so we could find out whether that is enough stimulant. But other than that, I know of no other proposal.

CUBA

[10.] Q. Mr. President, your Hispanic adviser, Fernando DeBaca, told the Miami News yesterday that you have never formally reevaluated U.S. foreign policy toward Cuba since you became the President. Are you in the process of reevaluating the Government's position? And do you foresee any lifting of economic and diplomatic sanctions toward Cuba in the immediate future?

THE PRESIDENT. Very frequently in my daily meetings with Secretary of State Kissinger we discuss Latin American policy, including our policy toward Cuba. The policy today is the same as it has been, which is that if Cuba will reevaluate and give us some indication of a change of its policy toward the United States, then we certainly would take another look. But thus far, there is no sign of Mr. Castro's change of heart, and so we think it is in our best interest to continue the policies that are in effect at the present time.

ARMS SALES

[11.] Q. Mr. President, a number of responsible Americans, including Senator Mansfield, have expressed concern that we are selling more arms than ever to more nations. We now sell to Pakistan as well as India, to Arab countries as well as Israel. What is your credo in regard to arms sales? Is it influenced by the state of the economy, and what do you say to those who say that such sales are immoral?

THE PRESIDENT. First, let me be very specific. The sale of U.S. military equipment to any country is not predicated on trying to help the U.S. economy. We do have a policy of selling arms to other nations if that country feels it has an

internal security problem, and number two, if it is necessary for one or any of the countries to maintain their national integrity or security.

We believe that in many areas of the world, a proper military balance is essential for internal as well as external security of various countries. And where other nations, such as the Soviet Union, do sell or give arms to one country or another, if another country feels that for its own security it needs additional military equipment and has the cash, then we feel that it is proper to make a sale from the United States to that country.

PROGRAMS FOR THE ELDERLY

[12.] Q. Mr. President, south Florida has a disproportionate number of elderly persons, thousands of poor and elderly who are finding it hard to even have one hot meal a day. How can we justify Federal programs that would reduce or take away what little assistance they are getting now, particularly when we continue to pump billions of dollars in foreign aid overseas? The question they are asking is, when does charity begin at home?

THE PRESIDENT. Let's take the food for the elderly program. In this current fiscal year the Federal Government is spending \$202.5 million for that program under the older citizens legislation, which is six times what it was 4 years ago. Now, we will continue to monitor the situation, and if that is inadequate, we will do our utmost to find additional funding.

But I think it has to be put in perspective that \$202 million-plus is not an inconsequential amount just for that one program, plus the other programs that are aimed at helping our older citizens.

I feel very strongly that they should be given adequate aid and assistance plus social security, and I should say that I have not recommended a reduction in social security, but have recommended a 5-percent increase in social security benefits, along with other programs.

WATERGATE PARDONS

[13.] Q. Mr. President, good morning. I wonder now that the sentences have been handed down in the Watergate case against the former top administration figures, how you would feel on the issue of pardon for those men, especially in the light of their contention that they have done nothing that is any more wrong than the President under whom they served.

THE PRESIDENT. Well, it seems to me, number one, since they are appealing their sentencing, that it would be inappropriate for me to make any comment

one way or another. And number two, if and when the time comes, the proper thing for them to do would be to apply in the regular procedure or process, which is through the Pardon Attorney in the Department of Justice.

Q. Without getting into specific cases on the general premise, would you be sympathetic more in these particular cases toward a pardon because of the circumstances?

THE PRESIDENT. I don't think it would be appropriate to make a comment in that regard, because they are limited in number and I would not want to prejudice their current appeal by any comment that I might make.

ENERGY COSTS

[14.] Q. Mr. President, as you know, Florida boasts some of the highest electrical power bills in the Nation. Won't the people who pay those bills be hurt substantially by your foreign oil import program, since most, if not all, of the oil that Florida power companies burn comes from Venezuela?

THE PRESIDENT. The energy program that I have recommended would not result in Florida paying a disproportionate share of any cost increase. As a matter of fact, under the administrative action that I have taken, we have, under the first dollar, exempted heating oil as far as Florida is concerned, as far as New England is concerned, as far as Hawaii—the areas that are, as you indicate, in the same circumstances as Florida.

And under the permanent program that I have recommended, the added energy cost to a family or to business or to government would be rebated to the individual, to the business, and to the governments; so there would be a neutral impact. Therefore, it seems to me that my proposal is extremely equitable and would not result in any disproportionate burden being placed on Florida or any State in a comparable situation.

INTERNATIONAL BANKING COMMUNITY

[15.] Q. Mr. President, your opening statement seemed to imply that the United States was planning some sort of action against the Arab nations that have embargoed Jewish-owned banks. Could you be more specific? What sort of thing might we do in this case, if the embargoes continue?

THE PRESIDENT. All we have so far are some allegations. I have asked the Departments of Justice, Commerce, and State to investigate any allegations. The actual action that would be taken will be forthcoming from recommendations by those departments. They have not been placed on my desk at the present time.

FOREIGN POLICY

[16.] Q. Mr. President, you have referred to the question of aid to Cambodia as a moral one relating to the credibility of the United States. But is the issue of credibility really at stake when so many of those with whom we would want to maintain it criticized our involvement in that area to begin with and long urged us to get out before we did?

THE PRESIDENT. Are you referring, sir, to other nations?

Q. Other nations, yes.

THE PRESIDENT. I do not think we can conduct American foreign policy on the basis of what other nations think is in our best interest. The United States has to predicate its foreign policy on what it thinks is in America's best interest.

Now, we respect the right of other nations to be critical of what we do, but it is my responsibility and, I think, the responsibility of people in authority in the United States to make decisions that are based on what we think is good for America, and that is the way it will be decided as long as I am President.

SECRETARY OF STATE KISSINGER

[17.] Q. Mr. President, there has been a new crop of reports in recent days about the possibility of Secretary Kissinger leaving office this year to be succeeded by Ambassador Elliot Richardson. Could you comment on these reports, and specifically, do you expect Dr. Kissinger to remain in office at least until November of next year?

THE PRESIDENT. I happen to feel very strongly that Secretary Henry Kissinger is an outstanding Secretary of State, and he and I have never discussed any change in his responsibilities. I know of no plans of any kind whatsoever on my part or his part to change the responsibilities, the very heavy and important responsibilities that he has.

On the other hand, I recently submitted the name of Elliot Richardson to be Ambassador to Great Britain. I picked him because I think he will do a first-class job there, and he has been recently confirmed. And I am confident, when he goes to London, he will carry out those responsibilities in that job in a very exemplary way.

ILLEGAL ALIENS

[18.] Q. Mr. President, it is estimated by immigration officials here in south Florida that there are up to 90,000 illegal aliens gainfully employed in southeast Florida alone. It is also estimated our unemployment figure runs close to that amount. What is your office doing to address itself to this particular problem?

THE PRESIDENT. We have been trying to strengthen the arm of the Immigration and Naturalization Service, the Department of Justice, in order to handle in an appropriate way the illegal alien problem.

Florida has a serious problem. California has an equally serious problem. We are trying to work with the Mexican Government, for example, primarily out in the Western States. We are fully cognizant of the adverse impact that illegal aliens have on employment opportunities of American citizens, but we are trying to stop the flow in. We are seeking to send back illegal aliens as quickly as possible under the laws of the United States.

THE 25TH AMENDMENT

[19.] Q. Mr. President, Senator Pastore is proposing that there be a special election any time an appointed Vice President succeeds to the Presidency; that is, if there is more than 1 year of the term remaining. Since you are the only such person, what is your feeling about it? Would you recommend or endorse a change in the 25th amendment?

THE PRESIDENT. I am not sure that I ought to pass judgment on the validity of the 25th amendment. I guess I could say it worked pretty well this time. *[Laughter]*

But I think it is appropriate that the Congress take another look at the 25th amendment. It was passed, as I think most of us know, not to meet the unique circumstances that developed in 1973 and 1974.

Perhaps this experience does require the Congress to take a look, to see whether there is a better way or a different way where a Vice President might be selected.

Q. Well, do you feel any handicap for not having won a Presidential election and still holding the office?

THE PRESIDENT. The answer is no.

ENERGY AND ECONOMIC PROGRAMS

[20.] Q. Mr. President, Jim Reynolds, WIOD News, Miami. You have stated that the Congress has been slow to act on two of the Nation's major issues—energy and the tax cut. As a former Congressman, can you give us any insight into why you feel the Congress is having this difficulty?

THE PRESIDENT. Well, in the failure of the Congress to act quickly enough in reducing taxes, as I recommended, I am really perplexed, because we recommended a very simple method of returning \$16.5 billion to the American people and to American business. That should have been quickly considered, acted on

very rapidly, and I do not understand why there has been the kind of delay that has taken place.

In the case of the energy problem, that is more understandable. Even though I don't like it, it is a very comprehensive program that involves 170 pages in one bill that I recommended and that will require hearings and action.

But what disappoints me—and this I do not understand—is why there have not been hearings before the proper committees in the House and the Senate on either my plan or the thoughts that the Democratic Members in the Congress have on their plans.

But that is why I have the pressure on with the import levy. I think they are now beginning to focus on the need and the necessity. Up until recently, they just hoped the problem would go away. Now they are beginning to realize it is serious, and hopefully there will be some affirmative action.

CAMBODIA

[21.] Q. Mr. President, in answering an earlier question about Cambodia, you used the phrase “the commitment that we have to some extent to Cambodia,” to distinguish it from Vietnam. Just what is our commitment to Cambodia when, at the time that the American troops went in there in 1970, people were told that there was not going to be any long-term commitment? Could you explain that, sir?

THE PRESIDENT. Well, Cambodia is in a somewhat different situation from Vietnam. Vietnam is involved in the Paris accords; Cambodia was not, in an official way. So, our obligation, which I think is important, is that they want to maintain their national integrity and their security of their country against outside forces.

The policy of this country is to help those nations with military hardware, not U.S. military personnel, where the government and the people of a country want to protect their country from foreign aggression or foreign invasion.

This is, to a substantial degree, in post-World War II, the tradition of the United States, and I think if people in a country want to fight for freedom for their country, to the degree that we can, I think we ought to expand freedom around the world.

REPORTER. Thank you, Mr. President.

THE PRESIDENT. Thank you very much.

NOTE: President Ford's ninth news conference began at 11:05 a.m. in the Convention Hall at the Diplomat Hotel, Hollywood, Fla.

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**Informal Exchange at the Jackie Gleason Inverrary Classic in
Lauderhill, Florida. February 26, 1975**

MR. GLEASON. Ladies and gentlemen, as you all know we are honored with the President of the United States, and he would like to say a few words to you.

The President.

THE PRESIDENT. Well, thank you very much, Jackie.

I don't know a day since last August where I have had a more enjoyable, a more wonderful time than today in this great tournament with you and Bob Hope and Elliott Kahn and Jack Nicklaus. You know, this is just one of those things that I will always remember, and I thank you and the others who are participating.

I—going a long time back—have great respect for excellence. And I was playing with some people today who epitomize that: you and Bob, in the field of entertainment, the unquestioned excellence in the field that you excel so beautifully in; Elliott Kahn, a young man who has done superbly in the business world, again excellence; and the one I envy the most—it is not you.

MR. GLEASON. I know.

THE PRESIDENT. It is not Hope.

MR. GLEASON. I know.

THE PRESIDENT. It is not Elliott. If I could just be half as good as Jack Nicklaus—[*laughter*]—

A long time ago back when the ball was round in football, I played a little football against another school in the Big Ten. And I loved the competition, because Ohio State always represented great skill, great competence, tremendous competitive urge, and so forth. And as much as I hate to lose to them, I think they represent the best.

And of course, Jack Nicklaus in golf represents the finest. And Jack, to play with you today and have you break the course record was a great thrill for me.

You and I didn't contribute one thing to our score.

MR. GLEASON. Yes we did; you broke a record today.

THE PRESIDENT. What did I do?

MR. GLEASON. We went around the entire course, and there was not one dissident voice or sign throughout the entire area. And that is a record.

THE PRESIDENT. Well, I just want to thank you and everybody that was re-

lated—Mr. Fuqua and all of the others who made a significant contribution to this.

I have a couple of serious comments to make. You know, as an officeholder in the Federal Government who carries a lot of weight in Washington—in only Washington—it gives me a great deal of pleasure tonight to say that I want to extend to you happy birthday, to a man who carries a lot of weight anywhere, anywhere, Jackie Gleason. [*Laughter*]

I did appreciate—as Jack Nicklaus and you and Bob and Elliott Kahn and the others know—after a couple of hard weeks and a few more coming down the road, it was great to be here and to participate. You know I can't quite get all of the problems out of my mind, even on a delightful day like this.

You know, on the first tee Jackie Gleason asked me this question: What was my greatest problem? I think he was referring to golf. But I had what was really on my mind, and I said, "Congress." [*Laughter*]

But I enjoyed playing with the others in our fivesome; it was a great treat. All of them are far better, infinitely more competent than myself, but I am going to work at it. And if you are kind enough to invite Betty and me down next year—that is a subtle way of asking for an invitation——

MR. GLEASON. You are not only invited next year but if you follow me, I know where a martini is. [*Laughter*]

THE PRESIDENT. Well, somebody asked me out on the golf course how I shot today, and I said I shot a 72. The truth was, that is before I asked for a rebate. [*Laughter*]

But let me say I appreciate very much, Jackie, the opportunity to be with all of you, to be with Jack Nicklaus and to meet Barbara Nicklaus and their son Steve and daughter Nancy, and to meet the others who are here, and to be with people who are superb, the best. It is the kind of a challenge that I think we in America have to seek and work to achieve. So, thank you very much on behalf of Betty and myself.

You know, we have had more pickets outside of Washington concerning her than concerning me, but that is an indication of her character. And I am very proud to introduce to all of you the First Lady, my dear wife, Betty Ford.

NOTE: The exchange of remarks began at 8 p.m. at the Inverrary Golf and Country Club, site of the annual golf tournament for the benefit of the Boys' Clubs of America and other south Florida charities.

In his remarks, the President referred to Elliott Kahn, president of Kahn Leasing Company, and J. B. Fuqua, owner of Fuqua Industries.

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Letter to President Mortimer M. Caplin of the National Civil Service League on the Civil Service Merit System.**February 27, 1975**

[Dated February 24, 1975. Released February 27, 1975]

Dear Mr. Caplin:

I appreciate your recent letter commenting favorably upon my September 20, 1974, memorandum in support of the merit system under civil service. I also appreciate your suggestions for additional steps that might be taken to preserve the integrity of the merit system.

Throughout my career of public service, as a Member of Congress and as Vice President, I have thoroughly supported a strong merit system. As President, I have made clear my continued commitment to the merit system and I fully expect those charged with the responsibility of assuring the integrity of the merit system to live up to that responsibility.

As you are aware, the Civil Service Commission has uncovered evidence of abuses of the merit system in several agencies in recent years. After thorough investigation, these agencies were required to take prompt corrective action. In addition, disciplinary actions were initiated against individuals who were responsible for the abuses. I have made it plain to the heads of Federal agencies and the Civil Service Commission that I expect them to assure full compliance with all personnel laws and regulations. Furthermore, I wholeheartedly support congressional efforts designed to keep the merit system free from partisan politics.

You suggested that, by executive order, I prohibit the members of the Civil Service Commission and its staff from making any referral of candidates for Federal positions except in accordance with established procedures under civil service rules. Although the referral of candidates is not prohibited by law or regulations, the Commissioners have recently adopted a new standard of conduct for themselves and all Commission employees in recognition of the possibility that personal referrals may be subject to misunderstanding.

That standard prohibits all officers and employees of the Commission from making referrals or recommendations of individuals for Federal employment that are not part of their official duties. I view favorably this voluntary action of the Civil Service Commissioners, as I know you will.

I appreciate the fine work the National Civil Service League has done over the years in its effort to protect the Federal merit system. Like you, I am deter-

mined, as I stated on September 20, 1974, to keep the Federal career service just that—a career service in which men and women can be accepted in the first place on their ability and promoted on their merit.

Sincerely,

GERALD R. FORD

[Mr. Mortimer M. Caplin, President, National Civil Service League, 917 15th Street, NW., Washington, D.C. 20005]

NOTE: Mr. Caplin's letter, dated January 16, 1975, is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 225).

112

Remarks at the Unveiling of a Portrait of Representative Olin E. Teague in the Rayburn House Office Building.

February 27, 1975

Tiger and Freddie and your family, and the artist Terry, Mr. Speaker, people from the executive branch, and all of the friends of the space committee:

It is a great privilege for me to be here and to have a part in paying tribute to one of my dear friends and one of the outstanding Members of the House of Representatives.

I think you are all familiar with the slogan, "Put a tiger in your tank." [Laughter] You don't know what I am going to say now. [Laughter]

I think America can be mighty grateful that 29 years ago some Texans put a Tiger in the House. And we are all the beneficiaries. You know, Tiger—from my experience—has proven to me and, I am sure, to the Speaker and to others that he is a man for all seasons. We know him as a patriot, as a legislator, a humanitarian, and as an athlete.

Not too many people know about his athletic skill, but I can tell you from personal experience they did not call him the Minnesota Fats of the House paddleball court for nothing.

I have known Tiger, I have worked with him, I have admired and I have respected Tiger ever since I first came to the Congress in January of 1949. Tiger preceded me by a term or two, and I have looked back into the record, and I cannot help but say that his election to the House was one of the most dramatic on record.

Sometimes the term "war hero" is used rather loosely, but in Tiger Teague's case, it is almost an understatement. As the commander of a combat infantry

battalion, Tiger more than lived up to his name. He was wounded in battle a good many times, decorated 11 times by the French and by the United States, and while he was still being treated in an Army hospital—I think it was 1946, wasn't it, Tiger?—recovering from combat-inflicted wounds, that he learned of his highest honor, that of being elected to the Congress, to the House of Representatives.

I am sure that gave him the great feeling of satisfaction and honor that it has to all of us who have ever had the privilege of serving in the House of Representatives.

Tiger, from what we know of those who dealt with him, the words of trust and honor—they were sort of the thing that Tiger believed in and acted on and respected.

So, Tiger, your 29 years in the House, culminating in your high-ranking positions on the space and veterans committees—I think that is a tribute to you and your record. Tiger worked, as we all know, in getting the space committee and its activities moving.

He is known by those of us that knew him in the House as “Mr. Veteran” himself. And I think the record shows that more veterans legislation can have the mark of identity with Tiger than almost any other Member in the Congress.

His sensitivity and his compassion for others has been expressed in many tangible and many lasting ways. I have talked to Tiger, and it is my judgment from chatting with him that the one piece of legislation that really means more to him than almost anything else is the war orphans scholarship program, which is a great piece of legislation for a most worthy cause.

Let me just conclude by saying that I know that Tiger is a no-nonsense, hard working, get-to-the-point legislator. And when you come right down to it, whether you agree with him or disagree, that is the kind of a legislator that I think is good for America, and that is what it is all about.

So, Tiger and Freddie, let me just express my deep gratitude for the contributions you have made and that you will continue to make.

In my younger days, there was a popular song with the words, “Hold that tiger.” Ladies and gentlemen, here is one Tiger you will never hold.

NOTE: The President spoke at 7:35 p.m. in Suite 2318. In his opening remarks, he referred to Mrs. Teague and Terry Rodgers, the artist who painted the portrait.

Representative Teague was chairman of the House

Committee on Veterans' Affairs from 1955 to 1971, and chairman of the House Committee on Science and Technology (formerly Science and Astronautics) from 1973.

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**Statement Announcing Final Extension of the Program
for the Return of Vietnam Era Draft Evaders and
Military Deserters. February 28, 1975**

ON January 30, 1975, I extended until March 1 the termination date of applications under the clemency program for draft evaders and military absentees who have charges still pending against them and for those who already have been punished for such offenses.

Based on a further review of the progress of this program, I believe that many of those who have already been punished are only now learning they are eligible. This is confirmed by the large number of applications—already exceeding 10,000—which continue to be filed with the Presidential Clemency Board.

Therefore, I am today granting a final extension of the termination date for applications under the clemency program from March 1 until March 31, 1975.

NOTE: On the same day, the President signed Proclamation 4353 and Executive Order 11842, extending the application period for the clemency program.

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**Message to the Congress Transmitting Annual Report of the
National Science Foundation. February 28, 1975**

To the Congress of the United States:

I am pleased to submit to the Congress the Twenty-Fourth Annual Report of the National Science Foundation, covering fiscal year 1974.

One of the clear lessons of the past few years is that our society, as well as that of the rest of the world, is intimately tied to technology and the science that produces it. Certainly our own approaches to problems in energy, environment, food production, and the well-being of the national economy will include substantial contributions from science and technology. As a Nation we are fortunate to have an extraordinarily strong science and technology base to draw on in dealing with these and other important national problems.

The National Science Foundation has a key role in ensuring that the Nation maintains leadership in all fields of basic science from which our technological advances of the future will be derived.

The National Science Foundation programs in basic research range over

fundamental studies of the structure and behavior of matter, the process of living things, the dynamics of the Earth and universe, energy and materials and many other areas described in this report. In addition, as this report shows, the Foundation is continuing, through its programs in science education, to assist in the development of the scientific manpower needed to meet tomorrow's technological challenges.

The research results contained in this report remind us of the changes that we have seen in our lives as a result of our investments in science. It is, I believe, a preview of many beneficial developments that will occur in coming years. I commend this report to you.

GERALD R. FORD

The White House,
February 28, 1975.

NOTE: The report is entitled "National Science Foundation Annual Report 1974" (Government Printing Office, 133 pp.).

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Remarks at the Conclusion of a Meeting With the Democratic Congressional Leadership to Discuss Energy and Economic Programs. *February 28, 1975*

THE DEMOCRATIC leadership in the House and the Senate have met with me and my advisers for the last hour and 15 or 20 minutes, and we have been discussing the proposal that has come from the majority party in the House as well as in the Senate on the necessary actions to take in our economic problems as well as the energy difficulties.

In January, I submitted to the Congress my proposals, or the Administration proposals, in energy and the economy. There are some differences as to details, but we all agree, both Democrats and Republicans, that we have to solve the economic problems of this country and we have to solve the energy problems.

I have agreed to study the plan submitted by the Democratic leadership, and on Monday—if not before—I will indicate to the Speaker and to Senator Mansfield where I think we can find an area of agreement, of accommodation. The Republican leadership I will talk to later. I have an obligation to discuss the matter with them. I do not think there will be any disagreement as to the need for action and the need for accommodation and compromise.

There has been a suggestion made that I postpone the imposition of the dollar

import levy that is scheduled to go on on March 1. This is a possible area of compromise. I can assure you, speaking for myself and, I am sure, for my associates, that we are willing to sit down and find an answer with the Democratic leaders of the House as well as the Senate, because the most important thing is what is good for the country, both on the economic front and the energy front as well.

Mr. Speaker, would you like to say anything?

THE SPEAKER. I just simply want to say that I think you have stated the general purpose and tenor of the meeting, Mr. President, and I thank you.

THE PRESIDENT. Senator Mansfield.

SENATOR MIKE MANSFIELD. Mr. President, I want to join with the Speaker in what he said, to express my disappointment that your experts have not had a chance to really study our program, and I look forward to this being the first of a series of meetings at which we can sit down and discuss a common problem, a national problem. And I would hope that, eventually, we will reach the stage where the bipartisan leadership could be called in so that together we could work out a program which would be the most beneficial to the Nation.

As far as economics is concerned, I do not know too much about it, but I do know that we are in trouble, and I do know that we have to work together, and I do know we have to do something.

THE PRESIDENT. I would like to emphasize—and I think this is the unanimous view—that the most important problem is for immediate action, the quickest possible action, to stimulate the economy and to get the country moving so we have jobs and we have a better economic environment, and we will work together to achieve that end and that objective.

Thank you very much.

REPORTER. Mr. President, you said you were thinking of postponing this thing; doesn't it start tomorrow? You would have to postpone it by some time tonight—the next dollar on the oil tariff.

THE PRESIDENT. There is the right to amend that proclamation at any time.

Q. We could go back on it.

THE PRESIDENT. Yes.

Q. Mr. President, you were quoted this morning as saying, "Where is the plan?" in terms of not being enough. Now, do you feel that the Democrats do have what you could call a comprehensive plan?

THE PRESIDENT. The Democrats have submitted a plan which is carefully thought out. It does not agree in some details with ours, but I think it is a plan. And it can possibly be meshed with ours, and we certainly will work to achieve some accommodation.

Q. It is enough of a start to work now toward a compromise?

THE PRESIDENT. Yes. Thank you very much.

NOTE: The President spoke at 4:20 p.m. in the Cabinet Room at the White House. White House correspondents and photographers were present during this portion of the meeting.

Later in the afternoon, the President also met with the Republican Congressional leadership to discuss energy and economic proposals.

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Remarks at the Young Republican Leadership Conference. *February 28, 1975*

AT THE outset, let me express, on behalf of Betty and our daughter, Susan, how glad we are that all of you are here. We hope you are going to enjoy the White House and relax and have a good time.

We think this is a great home. [*Laughter*] And Betty does not like to move very often. [*Laughter*]

I guess that leads to the conclusion that I am going to undoubtedly, without any question of a doubt, at the proper time, be a candidate. And I intend to be a candidate for a political party that is devoted to the basic principles that have built this country from a small nation of some 3 million to a strong, vigorous, effective nation of over 213 million people.

We are a party that believes in a strong national defense program, a program that will keep the peace and give us the opportunity to negotiate for a more permanent and a better environment around the world. But we have to have a national defense program that is adequately funded, that has a sufficient amount of money to buy the weapons, train the people, give the direction to our Army, Navy, Air Force, and Marines, so that they can keep the peace for us and the rest of the world.

The Republican Party that I believe in is a party that also, in addition to maintaining the peace, is a party that believes in the free enterprise system and an economy that is strong and that will grow and get stronger.

Now we, in 1968 and 1972, had good party platforms. We did, in those years, seek to implement those platforms, and I intend to do my utmost to implement those platforms and those programs between now and the next election. And if we do, we will win in 1976.

Unfortunately, in 1974 we had a bad election year. An awful lot of Republicans did not vote. Far more Democrats, percentage-wise, participated in that

off-year election. Our Republicans did not go to the polls. Our organization was not as effective. And we had some problems. The economy was beginning to deteriorate, and we had other difficulties that were very adverse to the Republican candidates all across the country.

We are going to have a good program in our platform in 1976. It will be based on the concepts of the free enterprise system, continuation of a strong national security program, and a maximum effort to improve and make wholesome and healthy our economy.

Now, if we do that—and I believe we will achieve those results—all of you in this organization—and you are the young, vigorous people who can be effective—can help us tremendously, because you will be out there working at the grassroots level. And I say to you that our party can and will challenge those who are in the Democratic Party who do not agree with what we are trying to do.

A long time ago I started in the Young Republicans. I was proud of my affiliation then. I am proud of my dedication to the Republican Party today. And I think you, as you move in the political mainstream, can also achieve great success, perhaps for yourself, perhaps for the party, but more importantly for the country.

Now, we do have some problems. We do not control the Congress of the United States. We did very badly in the last elections; only 28 percent, as I recall, actually got out and participated—or 38 percent, I am sorry—in the last election. It is a pretty dismal performance. I don't know whether we worked hard enough, I don't know whether we failed with our economic problems or the other difficulties that beset us, but 1976 is going to be a different year.

It is my honest judgment that we are going to have great progress in the further pursuit of peace. We are going to have a great improvement in our economy. We are going to be fielding strong candidates for the House as well as for the Senate.

And if we have the kind of results that I anticipate, then we can look forward to great success in 1976 and a Republican President for the next 4 years and, hopefully, a Republican Congress come January 1977.

Thank you very much.

NOTE: The President spoke at 4:34 p.m. in the East Room at the White House.

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**Statement on the Death of United States Consular Agent
John Egan in Cordoba, Argentina. *March 1, 1975***

THE KIDNAPING and murder of U.S. Consular Agent John Patrick Egan by terrorists in Cordoba, Argentina, is a vicious act which will be condemned by men of decency and honor everywhere. There can be no justification for the wanton killing of an innocent and defenseless person. Mr. Egan served his country loyally and well. All Americans will join in honoring the memory of Mr. Egan and expressing deepest sympathy to his widow and family.

NOTE: Mr. Egan was slain on February 28, 1975.

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**Telegram to Mrs. John Egan on the Death of Her Husband.
*March 1, 1975***

Dear Mrs. Egan:

Mrs. Ford and I want you to know you have our deepest sympathy. The death of your husband is as unjust as it is tragic. Words cannot capture the strain nor mitigate the suffering you have undergone, but we want you to know that our hearts are with you in this most difficult moment.

Your husband was highly esteemed in Cordoba. As U.S. Consular Agent there he served his country well. His tragic, senseless death is mourned by all men of goodwill.

GERALD R. FORD

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**Message to the Congress Transmitting Annual Report of the
United States Arms Control and Disarmament Agency.
*March 3, 1975***

To the Congress of the United States:

America's traditional optimism about the manageability of human affairs is being challenged, as never before, by a host of problems. In the field of national security, arms control offers a potential solution to many of the problems we

currently face. The genius of the American people may be said to lie in their ability to search for and find practical solutions, even to the most difficult of problems; and it is no accident that this country has helped lead the world in the quest for international arms control agreements.

Safeguarding our national security requires a dual effort. On the one hand, we must maintain an adequate defense against potential great-power adversaries; for although we are pursuing a positive policy of *détente* with the Communist world, ideological differences and conflicting interests can be expected to continue. On the other hand, we share with them, as with the rest of the world, a common interest in a stable international community.

Over the past year, we have made considerable progress in our arms control negotiations with the Soviet Union. The Vladivostok accord which I reached with Chairman Brezhnev will enable our two countries to establish significant limits on the strategic arms race and will set the stage for negotiations on reductions at a later phase. The U.S. and U.S.S.R. have, over the past year, also reached agreement on the Threshold Test Ban Treaty and on a limitation on ABM deployments to one complex for each country.

The negotiations being held at Vienna on mutual and balanced force reductions in Europe (MBFR), while they have not yet produced conclusive results, are also an important endeavor to limit and reduce armaments safely through mutual agreement. For our part, we shall make every effort to achieve such an outcome.

Even as we see some encouraging progress in our relations with the Soviet Union, we still face a growing danger in the potential proliferation of nuclear weapons to more countries. The U.S. will continue to seek practical steps to avert this danger, while providing the benefits of nuclear energy for peaceful purposes.

The fourteenth annual report of the U.S. Arms Control and Disarmament Agency, which I herewith transmit to the Congress, sets forth the steps which have been taken over the past year to meet these and other national security problems through arms control.

GERALD R. FORD

The White House,
March 3, 1975.

NOTE: The 77-page report is entitled "Arms Control Report, 14th Annual Report to the Congress."

120

Remarks Announcing Decisions on Oil Import Fees.*March 4, 1975*

IN mid-January, I said this country needed an immediate Federal income tax cut to reverse the current recession and create more jobs. I went to the Congress with a specific program of legislative actions against recession, inflation, and energy dependence.

I asked Congress to act by April 1. I used the authority Congress had given the President to apply additional import fees on most foreign oil. I did this for two reasons: first, as an immediate step toward energy conservation, the only step taken so far to slow the inflow of foreign oil and the outflow of American dollars; and secondly, to prompt the Congress to action on energy independence.

The Congress responded initially by saying it needed more time. It pushed through this act to take away Presidential authority to impose import fees on foreign oil for 90 days.

I am vetoing this negative act for the compelling reasons outlined in a message sent to the Congress today. However, I meant what I said about cooperation with the Congress. I want to give the Congress a reasonable time to act and the opportunity to avoid a confrontation which helps nobody, least of all the American people.

I do this readily, because the most important business before us—after 50 days of debate—is still the economic stimulant that could be provided by the income tax refunds to individuals and job-creating tax credits to farmers and businessmen that I called for in January.

Last Friday, the majority leaders of the Congress asked me to delay scheduled increases in the import fees on foreign oil for another 60 days while they work out the specifics of their own energy policy. I find this request reasonable. The important thing is that the Congress is finally moving on our urgent national energy problem. I welcome these efforts and the leadership shown.

I am, therefore, amending my proclamation to postpone for 2 months the increases scheduled for March and April. Hopefully, we can agree on an energy program by May 1.

A most compelling reason for this 60-day postponement is that I want no part in delaying the speedy enactment by the Congress of the income tax cuts, which can be on this desk by the end of March. We have exactly 4 weeks.

What we need now is a simple but substantial tax cut to revive our economy and make more jobs. What we need next is a comprehensive energy program to end our dependence on foreign oil producers. What we don't need is a time-wasting test of strength between the Congress and the President. What we do need is a show of strength that the United States Government, your Government, can act decisively and with dispatch.

Thank you very much.

NOTE: The President spoke at 1:56 p.m. in the Oval Office at the White House before signing Proclamation 4355. His remarks were recorded for later broadcast.

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Veto of a Bill To Suspend the President's Authority To Set Oil Import Fees. March 4, 1975

To the House of Representatives:

I am returning H.R. 1767 without my approval. The purposes of this Act were to suspend for a ninety-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such ninety-day period.

I was deeply disappointed that the first action by the Congress on my comprehensive energy and economic programs did nothing positive to meet America's serious problems. Nor did it deal with the hard questions that must be resolved if we are to carry out our responsibilities to the American people.

If this Act became law, it would indicate to the American people that their Congress, when faced with hard decisions, acted negatively rather than positively.

That course is unacceptable. Recent history has demonstrated the threat to America's security and economy caused by our significant and growing reliance on imported petroleum.

Some understandable questions have been raised since my program was announced in January. I am now convinced that it is possible to achieve my import goals while reducing the problems of adjustment to higher energy prices. Accordingly:

- I have directed the Administrator of the Federal Energy Administration to use existing legal authorities to adjust the price increases for petroleum products so that the added costs of the import fees will be equitably distributed between gasoline prices and the prices for other petroleum products, such as heating oil. These adjustments for gasoline will not be permanent, and will be phased out.
- To assist farmers, I am proposing a further tax measure that will rebate all of the increased fuel costs from the new import fees for off-road farm use. This particular rebate program will also be phased out. This proposal which would be retroactive to the date of the new import fee schedule, will substantially lessen the adverse economic impact on agricultural production, and will reduce price increases in agricultural products.

These actions will ease the adjustment to my conservation program in critical sectors of the Nation while still achieving the necessary savings in petroleum imports.

Some have criticized the impact of my program and called for delay. But the higher costs of the added import fees would be more than offset for most families and businesses if Congress acted on the tax cuts and rebates I proposed as part of my comprehensive energy program.

The costs of failure to act can be profound. Delaying enactment of my comprehensive program will result in spending nearly \$2.5 billion more on petroleum imports this year alone.

If we do nothing, in two or three years we may have doubled our vulnerability to a future oil embargo. The effects of a future oil embargo by foreign suppliers would be infinitely more drastic than the one we experienced last winter. And rising imports will continue to export jobs that are sorely needed at home, will drain our dollars into foreign hands and will lead to much worse economic troubles than we have now.

Our present economic difficulty demands action. But it is no excuse for delaying an energy program. Our economic troubles came about partly because we have had no energy program to lessen our dependence on expensive foreign oil.

The Nation deserves better than this. I will do all within my power to work with the Congress so the people may have a solution and not merely a delay.

In my State of the Union Message, I informed the Congress that this country required an immediate Federal income tax cut to revive the economy and reduce unemployment.

I requested a comprehensive program of legislative action against recession, inflation and energy dependence. I asked the Congress to act in 90 days.

In that context, I also used the stand-by authority the Congress had provided to apply an additional dollar-a-barrel import fee on most foreign oil coming into the United States, starting February 1 and increasing in March and April.

I wanted an immediate first step toward energy conservation—the only step so far to reduce oil imports and the loss of American dollars. I also wanted to prompt action by Congress on the broad program I requested.

The Congress initially responded by adopting H.R. 1767 to take away Presidential authority to impose import fees on foreign oil for 90 days.

Although I am vetoing H.R. 1767 for the reasons stated, I meant what I said about cooperation and compromise. The Congress now pledges action. I offer the Congress reasonable time for such action. I want to avoid a futile confrontation which helps neither unemployed nor employed Americans.

The most important business before us after 50 days of debate remains the simple but substantial tax refund I requested for individuals and job-creating credits to farmers and businessmen. This economic stimulant is essential.

Last Friday, the majority leaders of the Senate and House asked me to delay scheduled increases in the import fees on foreign oil for 60 days while they work out the specifics of an energy policy they have jointly produced. Their policy blueprint differs considerably from my energy program as well as from the energy legislation now being considered by the House Committee on Ways and Means.

I welcome such initiative in the Congress and agree to a deferral until May 1, 1975. The important thing is that the Congress is finally moving on our urgent national energy problem. I am, therefore, amending my proclamation to postpone the effect of the scheduled increases for two months while holding firm to the principles I have stated. It is also my intention not to submit a plan for decontrol of old domestic oil before May 1.

I hope the House and Senate will have agreed to a workable and comprehensive national energy legislation.

But we must use every day of those two months to develop and adopt an energy program. Also, I seek a legislative climate for immediate action on the tax reductions I have requested. It is my fervent wish that we can now move from points of conflict to areas of agreement.

I will do nothing to delay the speedy enactment by the Congress of straightforward income tax cuts and credits by the end of this month.

Under present conditions, any delay in rebating dollars to consumers and

letting businessmen and farmers expand, modernize and create more jobs is intolerable.

I do not believe the Congress will endanger the future of all Americans. I am confident that the legislative branch will work with me in the Nation's highest interests.

What we need now is a simple tax cut and then a comprehensive energy plan to end our dependence on foreign oil.

What we *don't* need is a time-wasting *test* of strength between the Congress and the President. What we *do* need is a *show* of strength that the United States government can act decisively and with dispatch.

GERALD R. FORD

The White House,

March 4, 1975.

NOTE: The House of Representatives reconsidered H.R. 1767 on March 11, 1975, and referred the bill to committee.

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Remarks at the Annual Congressional Dinner of the University of Michigan Club. *March 5, 1975*

THANK YOU very much, Marv, and may I express my deep appreciation for your more than generous introduction. That is literally true that Betty and I spent the first night of our honeymoon at that famous L and L Hotel. I thought that I was giving her a great treat. I can only add this: I have paid for that mistake a thousand times. [*Laughter*]

My former colleagues in the Congress, Bob Griffin and Members of the House, President Fleming, my associates as alumni of the University of Michigan, particularly my colleagues in the class of 1935:

It is a great privilege and a very high honor to have the opportunity of participating in the 23d gathering of this kind in the National Capital.

I might say to Chuck—Chuck Wixom over here—he speaks with some remorse about the fact that only one of his children has indicated that there was a skip of a generation. I can assure you from my limited experience that four in our family give me an awful lot of trouble and oftentimes—if not almost unanimously—have their own views and have no hesitancy to communicate them to their father, regardless of what office he may hold.

Well, I can say without any reservation or qualification that it is a particular

pleasure to come to these dinners—to which I have come reasonably regularly—for the friendship and the fellowship and, quite frankly, the fun of seeing old friends and making new acquaintances.

I am really looking forward to seeing the program tonight, and I do appreciate the honor of your calling it, “This is Your University, Mr. President.” All I *can* say is, they sure didn’t know it back in 1935. [*Laughter*]

You know, as a matter of fact, I can still remember spending a good part of my sophomore and junior years washing dishes in the DKE house—of which I was a proud member—and I mean washing dishes. As a matter of fact, I washed so many dishes I was the only athlete in Michigan history who ever had a football knee and dishpan hands at the same time. [*Laughter*]

As I mentioned a moment ago, I was lucky enough to play football, first on Ferry Field and then in the stadium. And I was lucky enough to start a few games in the football season of 1934—and that was quite a year. The Wolverines on that memorable occasion played Ohio State, and we lost 34 to 0. And to make it even worse, that was the year we lost seven out of eight of our scheduled games. But you know, what really hurt me the most was when my teammates voted me their most valuable player. I didn’t know whether to smile or sue. [*Laughter*]

When I look back to 1931 and bring us up to date, so many, many fine memories come to mind.

In my freshman year, I had a job at the University Hospital. Dr. Kerlikowski, with the help of Harry Kipke, got me the job. I was a very disinterested waiter in the interns dining room and a very energetic waiter in the nurses cafeteria. [*Laughter*] You know, the truth is, it couldn’t have been better. I worked in the interns dining room for their benefit and the nurses dining room for my benefit. [*Laughter*]

Personally, I am intrigued by the differences between then and now, as well as by the similarities. For instance, back in Ann Arbor I lived on the fourth floor of a rooming house and my rent was \$4 per week. And I shared it with a good friend of mine from Grand Rapids. Today in Washington, that building would be described as a townhouse. The room would be called a pad. The rent would be \$400. And you still wouldn’t get enough hot water. [*Laughter*]

Of course, that doesn’t apply to where I live now. I have only been there 7 months, and you can’t believe all of the hot water I have gotten into. [*Laughter*]

Frankly, I just wish some of my critics could have been here tonight. I would have liked them to know what my major in Ann Arbor was—economics. The truth is, it shows you how little times have changed. In 1935, I got my first

degree, and in 1975, from some sources, I am getting my third degree—and it is still in economics. [*Laughter*]

But now as then, I look to the future with confidence. Those of us who went to the University of Michigan during the thirties don't have to be reminded of just how hard those times were. But what years haven't been hard? And what times haven't been a challenge to those who lived in them? And what is wrong with hard times and a challenge? I think it has a way of making people a little stronger and a little better.

And frankly, I have always been grateful, despite whatever hardships I and others served under, for my years at the University of Michigan. They were darn good years, years that provided me with the necessary building blocks and the blueprints to fashion a life from, years that gave me so many, many true friends to experience a life with.

And a rare night like this allows all of us to look back with affection and, at times, with amusement. But our sights should always be set on tomorrow and the many tomorrows that follow.

I know what my views are and my hopes and expectations are. You know, I tend to follow the sentiments expressed in one of our dearly loved college songs—the one that says, “I want to go back to Michigan.” And I do. But with your kind permission, I would like to do it in 1981. [*Laughter*]

Thank you very much.

NOTE: The President spoke at 8:40 p.m. in the International Ballroom at the Washington Hilton Hotel. In his remarks, he referred to Representative Marvin L. Esch and Senator Robert P. Griffin of Michigan; Robben W. Fleming, presi-

dent of the University of Michigan; Charles Wixom, president of the University of Michigan Club; Dr. Albert C. Kerlikowski, former director of the University Hospital; and Harry Kipke, former football coach at the university.

123

Statement on the Terrorist Attack in Tel Aviv, Israel.

March 6, 1975

THE ACT of terrorism which occurred last night at Tel Aviv resulting in the tragic loss of innocent lives should be strongly deplored by everyone. Outrages of this nature can only damage the cause in whose name they are perpetrated.

I extend my deepest sympathy, and that of the American people, to the families of those persons who have been killed as a result of this senseless act.

NOTE: On the evening of March 5, 1975, eight Palestinian guerrillas seized the Savoy Hotel, holding guests hostage until Israeli Army troops advanced

on the hotel on the morning of March 6. Three Israeli soldiers, three civilians, and seven guerrillas were killed during the ensuing battle.

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Memorandum on Equal Opportunity in Federal Employment.
March 6, 1975

Memorandum for Heads of Departments and Agencies

Chairman Hampton of the Civil Service Commission recently reported to me on progress to assure equal opportunity in Federal employment. I have also reviewed the most recent statistics on the employment of minorities and women in the Federal Government.

Minorities and women have demonstrated their ability to compete successfully under merit principles. Over one-fifth of the jobs in Government agencies are held by Blacks, Spanish-speaking Americans, American Indians and Asian Americans. Nearly one-third of all Federal employees are women.

While I am encouraged by these figures, our efforts must continue. For example, within the general schedule and similar grade groupings, minorities represent only 5.2% and women only 4.5% of Federal employees at GS 13 and above. I therefore want you to know how I view equal employment opportunity. I urge you to provide strong leadership in your own organization.

Our Nation's strength is based upon the concept of equal opportunity for all our citizens. Decisions motivated by factors not related to the requirements of a job have no place in the employment system of any employer and particularly the Federal Government.

But more is required than non-discrimination and prohibition of discriminatory practices. What is needed are strong affirmative actions to assure that all persons have an opportunity to compete on a fair and equal basis for employment and advancement in the Federal Government. Affirmative action includes recruitment activities designed to reach all segments of our society, fair selection procedures, and effective programs of upward mobility so that all employees have the opportunity to gain skills to enable them to compete for higher level positions. Such actions are under way in the Federal Government. They must be continued and expanded.

Although the Federal Government has employed large numbers of minorities and women, vigorous efforts to assure equal employment opportunity must continue, particularly in those geographical areas and agencies and installations where more progress is needed. There are program areas where special emphasis is needed. There is reason to believe, for example, that the skills of the Spanish-speaking as a group have not yet been fully tapped. Also, a much wider

range of employment opportunities for women can be opened. We cannot and must not permit persons to be locked into jobs not commensurate with their potential. I am looking to you and to every manager in the Federal Government to assure that employees, without regard to their race, national origin or sex, have an opportunity for advancement in accordance with individual abilities.

Moreover, men and women of all racial and ethnic backgrounds must be assured a fair opportunity to serve in positions where they can make a maximum contribution and participate in the decision-making process.

Equal employment opportunity doesn't just happen; it comes about because managers make it happen. I want equal opportunity to be reflected in every aspect of Federal employment. I have called on Chairman Hampton of the Civil Service Commission to keep me fully informed on an annual basis of the progress each Federal department and agency is making in this regard. Increased accountability on the part of Federal managers will help to promptly identify deficiencies and strengthen our EEO program at all levels.

Just as we will not condone preferences in employment decisions because of a person's race, ethnic origin or sex, we will not tolerate failure to vigorously carry out affirmative actions in support of equal employment opportunity. I am asking for your personal commitment and active cooperation in assuring that the American ideal of true equal employment opportunity is a reality in the Federal Government.

Please make my views known to all employees and managers in your organization. Their understanding of my objective is essential. Their support is required.

GERALD R. FORD

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The President's News Conference of *March 6, 1975*

STATEMENT ON UNITED STATES MILITARY AND HUMANITARIAN ASSISTANCE TO CAMBODIA AND THE REPUBLIC OF VIETNAM

THE PRESIDENT. [1.] Good evening. Before we start the questions tonight, I would like to make a statement on the subject of assistance to Cambodia and to Vietnam.

There are three issues—the first, the future of the people who live there. It is a concern that is humanitarian—food for those who hunger and medical sup-

plies for the men and women and children who are suffering the ravages of war. We seek to stop the bloodshed and end the horror and the tragedy that we see on television as rockets are fired wantonly into Phnom Penh.

I would like to be able to say that the killing would cease if we were to stop our aid, but that is not the case. The record shows, in both Vietnam and Cambodia, that Communist takeover of an area does not bring an end to violence, but on the contrary, subjects the innocent to new horrors.

We cannot meet humanitarian needs unless we provide some military assistance. Only through a combination of humanitarian endeavors and military aid do we have a chance to stop the fighting in that country in such a way as to end the bloodshed.

The second issue is whether the problems of Indochina will be settled by conquest or by negotiation. Both the Governments of Cambodia and the United States have made vigorous and continued efforts over the last few years to bring about a cease-fire and a political settlement.

The Cambodian Government declared a unilateral cease-fire and called for negotiations immediately after the peace accords of January 1973. It has since repeatedly expressed its willingness to be flexible in seeking a negotiated end to the conflict. Its leaders have made clear that they are willing to do whatever they can do to bring peace to the country.

The United States has backed these peace efforts. Yesterday, we made public an outline of our unceasing efforts over the years, including six separate initiatives since I became President.¹

Let me assure you: We will support any negotiations and accept any outcome that the parties themselves will agree to. As far as the United States is concerned, the personalities involved will not themselves constitute obstacles of any kind to a settlement.

Yet all of our efforts have been rebuffed. Peace in Cambodia has not been prevented by our failure to offer reasonable solutions. The aggressor believes it can win its objectives on the battlefield. This belief will be encouraged if we cut off assistance to our friends.

We want an end to the killing and a negotiated settlement. But there is no hope of success unless the Congress acts quickly to provide the necessary means for Cambodia to survive.

If we abandon our allies, we will be saying to all the world that war pays. Aggression will not stop; rather it will increase. In Cambodia, the aggressors

¹ On March 5, 1975, the Department of State Office of Press Relations had made available a summary of negotiating efforts on Cambodia.

will have shown that if negotiations are resisted, the United States will weary, abandon its friends, and force will prevail.

The third issue is the reliability of the United States. If we cease to help our friends in Indochina, we will have violated their trust that we would help them with arms, with food, and with supplies so long as they remain determined to fight for their own freedom. We will have been false to ourselves, to our word, and to our friends. No one should think for a moment that we can walk away from that without a deep sense of shame.

This is not a question of involvement or reinvolverment in Indochina. We have ended our involvement. All American forces have come home. They will not go back.

Time is short. There are two things the United States can do to affect the outcome. For my part, I will continue to seek a negotiated settlement. I ask the Congress to do its part by providing the assistance required to make such a settlement possible.

Time is running out.

Mr. Cormier [Frank Cormier, Associated Press].

QUESTIONS

CAMBODIA

[2.] Q. Mr. President, you wound up saying, "Time is running out" in Cambodia. Can you give us any assurance that even if the aid is voted it will get there in time? Is it stockpiled and ready to roll, or what is the situation?

THE PRESIDENT. If we don't give the aid, there is no hope. If we do get the necessary legislation from the Congress and it comes quickly—I would say within the next 10 days or 2 weeks—it will be possible to get the necessary aid to Cambodia, both economic assistance, humanitarian assistance, and military assistance. I believe there is a hope that we can help our friends to continue long enough to get into the wet season, then there will be an opportunity for the kind of negotiation which I think offers the best hope for a peace in Cambodia.

Mr. Growald [Richard Growald, United Press International].

CENTRAL INTELLIGENCE AGENCY

[3.] Q. Mr. President, would you tell us what Director Colby has told you of any CIA connection with the assassination of foreign leaders?

THE PRESIDENT. I am not in a position to give you any factual account. I have had a full report from Mr. Colby on the operations that have been alluded to in

the news media in the last week or so, really involving such actions that might have taken place beginning back in the 1960's.

I don't think it is appropriate for me at this time to go any further. We do have an investigation of the CIA, of our intelligence agencies, by the Congress, both overt and covert, going back from the inception of the CIA. And of course, we do have the Rockefeller Commission going into any CIA activities in the domestic front.

But for me to comment beyond that, I think, would be inappropriate at this time.

CAMBODIA AND THE REPUBLIC OF VIETNAM

[4.] Q. Mr. President, you say that there would be a deep sense of shame in the country if Cambodia should fall. If that would be the case, sir, can you explain why there seems to be such a broad feeling of apathy in the country and also in the Congress toward providing any more aid for either Cambodia or South Vietnam?

THE PRESIDENT. I believe there is a growing concern which has been accentuated since we have seen the horror stories on television in recent weeks—the wanton use of rockets in the city of Phnom Penh, the children lying stricken on the streets, and people under great stress and strain—bloody scenes of the worst kind.

I think this kind of depicting of a tragedy there has aroused American concern, and I think it is a growing concern as the prospect of tragedy of this kind becomes even more evident.

So, I have noticed in the last week in the United States Congress, in a bipartisan way, a great deal more interest in trying to find an answer. And yesterday I spent an hour-plus with Members of Congress who came back from a trip to Cambodia and South Vietnam, and they saw firsthand the kind of killing, the kind of bloodshed, and it had a severe impact on these Members of Congress, some of whom have been very, very strongly opposed to our involvement in the past in Vietnam. And I think their impact will be significant in the Congress as well as in the country.

Mr. Lisagor [Peter Lisagor, Chicago Daily News].

Q. Mr. President, the question is raised by many critics of our policy in Southeast Asia as to why we can conduct a policy of détente with the two Communist super powers in the world and could not follow a policy of détente should Cambodia and South Vietnam go Communist. Could you explain that to us?

THE PRESIDENT. I think you have to understand the differences that we have with China—the People's Republic of China—and with the Soviet Union. We do not accept their ideology. We do not accept their philosophy. On the other hand, we have to recognize that both countries have great power bases in the world, not only in population but in the regions in which they exist.

We do not expect to recognize or to believe in their philosophies. But it is important for us, the United States, to try and remove any of the obstacles that keep us from working together to solve some of the problems that exist throughout the world, including Indochina.

The Soviet Union and the People's Republic of China have supplied and are supplying military assistance to South Vietnam and Cambodia. We have to work with them to try and get an answer in that part of the world. But at the same time, I think that effort can be increased and the prospects improved if we continue the détente between ourselves and both of those powers.

Tom [Tom Brokaw, NBC News].

Q. Mr. President, putting it bluntly, wouldn't we just be continuing a bloodbath that already exists in Cambodia if we voted the \$222 million in assistance?

THE PRESIDENT. I don't think so, because the prospects are that with the kind of military assistance and economic and humanitarian aid we are proposing, the government forces hopefully can hold out. Now, if we do not, the prospects are almost certain that Phnom Penh will be overrun. And we know from previous experiences that the overrunning of a community or an area results in the murder and the bloodshed that comes when they pick up and sort out the people who were the schoolteachers, the leaders, the government officials.

This was told very dramatically to me yesterday by several Members of the Congress who were there and talked to some of the people who were in some of these communities or villages that were overrun.

It is an unbelievable horror story. And if we can hold out—and I think the prospects are encouraging—then I think we will avoid that kind of massacre and innocent murdering of people who really do not deserve that kind of treatment.

Q. Mr. President, if I may follow up: As I understand it, the Administration's point is that if we vote the aid that we will have the possibility of a negotiated settlement, not just the avoidance of a bloodbath. Is that correct?

THE PRESIDENT. That is correct, sir.

Q. And yet, just yesterday, as you indicated in your statement, the State Department listed at least six unsuccessful efforts to negotiate an end to the war in Cambodia, dating to the summer of 1973, when American bombing stopped

there. The Cambodian Government was certainly stronger then than it would be with just conceivably another \$220 million.

THE PRESIDENT. Well, I think if you look at that long list of bona fide, legitimate negotiated efforts, the best prospects came when the enemy felt that it would be better off to negotiate than to fight.

Now, if we can strengthen the government forces now and get into the wet season, then I believe the opportunity to negotiate will be infinitely better, certainly better than if the government forces are routed and the rebels—the Khmer Rouge—take over and do what they have done in other communities where they have had this kind of opportunity.

Q. Mr. President, you said, sir, that if the funds are provided that hopefully they can hold out. How long are you talking about? How long can they hold out? In other words, how long do you feel this aid will be necessary to continue?

THE PRESIDENT. Well, this aid that we have requested on an emergency basis from the Congress is anticipated to provide the necessary humanitarian effort and the necessary military effort to get them through the dry season, which ends roughly the latter part of June or the first of July.

THE REPUBLICAN PARTY

[5.] Q. Mr. President, if I might, I am sure you have seen news accounts to the effect that the conservatives, especially within your own party, are considering starting a third party in 1976, and they are bolting.

And I understand yesterday that a group of conservative Republican Senators met with you, and afterwards they came out and talked with reporters at the White House and told us that they were unhappy with your policies, they thought you were going too far to the left. And in fact, they said they wanted you to know that you could no longer take the right wing of your party for granted.

That being the case, sir, do you intend to go out and court conservative Republican support to woo them back for 1976, and do you think anything short of dropping Nelson Rockefeller from the ticket will do that?

THE PRESIDENT. Well, let me say the meeting that I had with about 11 very fine Republican Members of the United States Senate was a very, very frank discussion, and I think very constructive.

Some of them indicated that in certain areas they had disagreements with me. In other areas, they indicated a very strong support for the position that I have taken on various issues.

It is my feeling that the Republican Party has to be a broad-based, wide-

spectrum party if it is going to be a viable force in the political situation in the United States.

I happen to believe that Nelson Rockefeller is doing a very fine job as Vice President, and if we can broaden the base of the Republican Party, I think we have an excellent chance to prevail in 1976.

My maximum effort will be in getting all elements of the Republican Party on the team, and I think, in the final analysis, we will.

Q. Mr. President, as a followup, sir, can you really broaden that base without losing the right wing of your party?

THE PRESIDENT. Oh, yes, I think we can. In 1968 and 1972 that was achieved and we were successful. I think it can be done in 1976.

SENATE FILIBUSTER RULE

[6.] Q. On Rule 22, when Mr. Rockefeller ruled,² had you approved what he was doing beforehand? Do you agree with the ruling, and do you agree with the assertion of some of the Senators you met with that it is going to make it much harder for your program to get by in the Senate with three-fifths rather than two-thirds?

THE PRESIDENT. I think we have to understand that the Vice President occupies the position as presiding officer of the United States Senate under the Constitution. He has a constitutional responsibility in that regard.

I am in the executive branch of the Government. He, in that part of his responsibility, is in the legislative branch. He has the obligation under the Constitution to make a ruling, to preside in the United States Senate.

I think it is inappropriate or inappropriate, I should say, for me to tell him, as a member of the legislative branch in that capacity, how he should rule. And therefore, I did not. I have had a number of discussions with the Vice President as to my personal philosophy concerning the United States Senate. I happen to believe that the United States Senate ought to be a somewhat different legislative body than the House of Representatives, where by a 51-percent vote, a majority can prevail.

But our Founding Fathers very wisely thought that the Senate ought to be a little different, and they provided that the Senate should have other rules, other parliamentary procedures, including the requirement of more than 51 percent to conduct its business under certain circumstances.

² While presiding in the Senate on February 20, 1975, Vice President Rockefeller ruled that a reform measure, changing from two-thirds to three-fifths the vote needed to end a filibuster, could be effected by a simple majority.

I expressed those views to the Vice President, but I went no further, and I do not think it would have been appropriate for me to go any further.

Q. To just follow that question up, do you think that it is going to be harder for you to get your programs through the Congress with this prospective change in the filibuster rule?

THE PRESIDENT. I don't think it will be any more difficult to get the programs through. It might be more difficult in other ways, but I do not think it will be more difficult to get the programs through.

FORMER PRESIDENT NIXON

[7.] Q. Mr. President, some people who have visited former President Nixon in recent months have quoted him as saying that he would like to, after his illness is over, become a major figure in the Republican Party again. Do you foresee any time in the future when it would be beneficial for the Republican Party to have him reemerge as a leader?

THE PRESIDENT. I think any comment that I make in that regard is inappropriate at the present time. Mr. Nixon is still recovering from a very serious illness. And for me to speculate down the road, I think, is unwise at this point.

TAX REDUCTIONS

[8.] Q. Mr. President, Secretary Simon said the other day that he thought the jobless rate, unemployment rate, could rise to as much as 9 percent before things turned around. Now, in view of this, would you be willing to go for a larger tax reduction? Would you be willing to raise it, say, \$10 billion or some other figure?

THE PRESIDENT. In the first place, I have doubts that it will go to 9 percent. It might. But without commenting on whether it will or won't, if there is a need for a greater stimulant, I would certainly go for a greater tax reduction than for increased spending. I think that the tax reduction route is a lot more desirable than just increasing spending on some of these categorical programs or other programs that really do not help the individual as much as a tax reduction which would put money back in his pocket.

I believe that the program we have, as it appears to be moving through the Congress, is, at this stage of the game, moving in the right direction. The big problem is not the size of the tax reduction, but the slowness with which the Congress is acting on it and the failure of the Congress thus far to limit the tax reduction to something that can be enacted into law quickly.

What we need is speed and a figure of \$16 to \$19 billion in tax reduction. If we delay—and I hope it is not—then delay is more of a problem than the size.

Q. Sir, in the bill that came out of the House, you really got a different kind of character to that bill than the one you proposed. Theirs has a greater percentage going to lower income groups, and yours would go more to middle and higher income groups. Would you veto a bill if it got to your desk in the form it came from the House, or how would you feel about the House bill?

THE PRESIDENT. I don't think it is wise for me to speculate on what I would do with the House bill. It does have to go through the Senate committee, it does have to go through the Senate itself, and then it has to go to conference and come down to me. For me to speculate at this stage, I think, is very unwise.

I would like to add this, however: I agree with Secretary of the Treasury Simon, who testified yesterday or the day before that there ought to be a larger increase for the middle-income taxpayer. I think the House version of the bill was much too limited. It didn't give a sufficiently large rebate or tax reduction to the middle-income taxpayers, and those people, I think, deserve a break because in recent years they have gotten a heavier and heavier burden imposed on them.

FORMER PRESIDENT NIXON

[9.] Q. Mr. President, I am wondering if you agree, sir, with Leon Jaworski, who feels that the time has now come for former President Nixon to tell the truth about Watergate?

THE PRESIDENT. I don't think it is appropriate for me to give any advice to Mr. Nixon on that matter at this time. A fairly comprehensive story has been told in the impeachment hearings in the House, in the testimony of many, many people in the court here in the District of Columbia. I think the proper place for any further discussion in this regard is in the court system of the United States.

TERRORIST ATTACK AT TEL AVIV

[10.] Q. What effect do you think last night's massacre in Tel Aviv will have on the current Kissinger negotiations, and what advice would you give to Israel to counteract such terrorist attacks?

THE PRESIDENT. Let me answer the last first. I don't think it is appropriate for me to give any advice to Israel or any other nation as to what they should do in circumstances like that. I hope that the very ill-advised action, the terrorist action in Israel, or in Tel Aviv last night was absolutely unwarranted under any circumstances. I condemn it because I think it is not only inhumane but it is the wrong way to try and resolve the difficult problems in the Middle East.

I would hope that that terrorist activity would not, under any circumstances, destroy the prospects or the possibilities for further peace accomplishments in the Middle East.

Q. Mr. President, to follow up on that, have you considered asking Israel to become part of NATO?

THE PRESIDENT. I have not.

CAMBODIA

[11.] Q. Mr. President, you sounded encouraged about the prospect for Cambodian aid. Can you give us an estimate of what you think the chances are now of it being passed?

THE PRESIDENT. They are certainly better than they were. I had a meeting this morning with Senator Sparkman and Senator Hubert Humphrey and Senator Clifford Case. They want to help. They say the prospects are 50-50. But if they are that, I think we ought to try and make the effort, because I think the stakes are very, very high when you involve the innocent people who are being killed in Cambodia.

Q. May I follow up? If the Congress does not provide the aid and the Lon Nol government should fall, would the country be in for any recrimination from this Administration? Would we have another "who lost China" debate, for example?

THE PRESIDENT. I first would hope we get the aid and the government is able to negotiate a settlement. I do not think—at least from my point of view—that I would go around the country pointing my finger at anybody. I think the facts would speak for themselves.

Q. Mr. President, from some of the remarks the Senators who met with you today made, they did not indicate that they were quite in as much agreement as you have indicated, but Senator Humphrey, for one, asked, as part of a negotiated settlement that you spoke of, if you would be willing to seek the orderly resignation of President Lon Nol.

THE PRESIDENT. I do not believe it is the proper role of this Government to ask the head of another state to resign. I said in my opening statement that we believe that the settlement ought to be undertaken, and it is not one that revolves around any one individual. And I would hope that some formula—some individuals on both sides could sit down and negotiate a settlement to stop the bloodshed.

Q. Could I follow up? On that, are you saying that the United States will

support any government, no matter how weak or corrupt, in a situation like this?

THE PRESIDENT. I am not saying we would support any government. I am saying that we would support any government that we can see coming out of the present situation or the negotiated settlement.

PROGRAMS FOR THE UNEMPLOYED

[12.] Q. Mr. President, yesterday on unemployment you requested \$1.6 billion for public service jobs to run through mid-1976.³ Now, your advisers meantime keep predicting that the problem will improve in mid-'75, just a month or two from now. How do you reconcile those two positions?

THE PRESIDENT. Well, the requested additional manpower training funds that I requested will fully fund the authorized amount that was approved by the Congress last year. We believe that this amount is needed to take care of any potential contingencies.

We think there will be an improvement toward the end of this year and certainly in the beginning of next year on the unemployment. On the other hand, we think it is wise at this time to be prepared for any adverse developments.

Q. You mentioned earlier that it might go to 9. Are you revising upward the figure from 8.5?

THE PRESIDENT. No, I think I said that I was not going to agree to any figure, but I did say that if we had any such development, the better way to solve it would be for a further tax cut rather than some of these additional spending programs, and the most important thing was to get the Congress to act affirmatively, quickly, on the tax bill. I am very disturbed with their lack of affirmative action as quickly as I think it should come.

OIL PRICES

[13.] Q. Mr. President, out of the OPEC summit meeting in Algiers today came a declaration that oil prices should be pegged to inflation and the prices they have to pay for the products they buy. Do you think this kind of inflation indexing system is fair?

THE PRESIDENT. We are trying to organize the consuming nations, and we have been quite successful. I believe that once that organization has been put together—and it is well along—that we should sit down and negotiate any matters with the producing nations.

³ For a statement by the White House Press Secretary summarizing the President's observations and decisions following a meeting with economic and energy advisers, see the *Weekly Compilation of Presidential Documents* (vol. 11, p. 242).

I personally have many reservations about the suggestion that has been made by the OPEC organization. I think the best way for us to answer that problem is to be organized and to negotiate rather than to speculate in advance.

BUDGET DEFICIT

[14.] Q. Mr. President, things have been sort of piling up since you announced your \$52 billion prospective deficit. You have now postponed your tax proposal for March and April. You have put out \$2 billion for highways, another \$2 billion for relief jobs, and now the Congress has refused to put a ceiling on food stamps. My question is this: Just how high do you think this \$52 billion deficit is going to go, and where do you think it is at this point?

THE PRESIDENT. Well, the \$52 billion deficit was too high, in my judgment. We did our best to keep it down, and the Congress so far has added substantially to it by not approving the recommended rescissions and deferrals that I proposed.

I think I recommended in one group about a \$950 million rescission, or deferral, and Congress only approved about \$110 or \$120 million of that. They have, in addition, as you indicated, added about \$650 million in additional food stamp costs. I am disturbed.

And I will continue to work trying to convince the Congress that a deficit of \$52 billion is too much, and anything above that is very, very bad. If they think the way to stimulate the economy is to blow the Federal budget, I think they are wrong. I think the better procedure, if we need any additional stimulant, is through a tax cut.

MR. CORMIER. Thank you, Mr. President.

THE PRESIDENT. Thank you very much. Have a good night.

NOTE: President Ford's tenth news conference began at 7:31 p.m. in Room 450 at the Old Executive

Office Building. It was broadcast live on radio and television.

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Statement on Receiving the Final Report of the Advisory Council on Social Security. *March 7, 1975*

I HAVE received today the final report of the Advisory Council on Social Security. I concur strongly in the Council's unanimous endorsement of the basic principles of the social security system.

In my view, the most important recommendation of the Council calls for the stabilization of the benefit structure so that future benefits will maintain a con-

sistent relationship to earnings and will not be so vulnerable to changes in the economy.

Consequently, I have directed the Secretary of Health, Education, and Welfare to present to me a series of proposals for stabilizing the benefit structure. This will enable me to make recommendations to the Congress as early as possible.

Stabilization of the benefit structure, however, will not provide all the additional revenues that will eventually be required by social security. While existing reserves are adequate to maintain the fund's financial integrity for the next several years, I want to ensure the integrity of the system into the 21st century. Therefore, I have asked the Vice President to have the Domestic Council explore alternative approaches to financing and to make appropriate recommendations to me.

I strongly support the "earned right" principle that has been a basic feature of social security since its inception 40 years ago. Therefore, I am opposed to the Advisory Council's specific recommendation calling for the transfer of Medicare financing from the social security trust funds to general funds of the Treasury.

NOTE: The final report is printed in H. Doc. 94-75 (94th Cong., 1st sess.).

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Letter Accepting the Resignation of Federal Power Commissioner Rush Moody, Jr. *March 7, 1975*

Dear Rush:

I have your letter of February 28, and it is with a special sense of regret that I accept your resignation as a Commissioner of the Federal Power Commission, effective March 15, 1975, as you requested.

You can be sure I understand the reasons which led to your decision and that I share your strong conviction in the urgent need to review and change our present natural gas policies. I will continue to support, in the strongest terms possible, Congressional action deregulating new natural gas. I recognize, as you do, that affirmative legislation on this matter is critical to our goal of energy independence.

While we will be sorry to lose your valued counsel, nevertheless, I welcome this opportunity to express my personal appreciation for the outstanding manner in which you have fulfilled your responsibilities on the Commission. Your service has been distinguished not only by your exceptional ability, but also by your

genuine concern for our national well-being. Over the past three years, your efforts to assure a better, more secure life for all Americans have earned their gratitude and my own admiration.

Now, as you prepare to leave government, I want to thank you for your willingness to serve this Administration and our Nation. I am grateful for your cooperation and support and extend to you and to your family my warmest good wishes for every success and happiness in the future.

Sincerely,

JERRY FORD

[The Honorable Rush Moody, Jr., Commissioner, Federal Power Commission, Washington, D.C. 20426]

NOTE: Mr. Moody's letter of resignation read as follows:

Dear Mr. President:

I offer, most respectfully, notice of my intention to resign my Commission effective at the close of business on March 15, 1975.

I am most appreciative of the opportunity for public service that has been mine since November 19, 1971. I have decided, however, to leave the Commission because I can no longer participate in a regulatory system which is inflicting grave damage to our national economic structure.

I can no longer accept the lack of leadership of the so-called "energy leaders" in Congress who, by their refusal to recognize the failure of natural gas regulation, continue to deceive the American people into the belief that wellhead price regulation serves the public interest. Nor can I accept the view that the Commission must, in the absence of legislative change, do no more than preside over the demise of the interstate natural gas market.

As I am sure you perceive, the gas consumers of this country have been betrayed by the false premise that natural gas can be supplied indefinitely at rates which will not permit replenishment of the sources of supply. The disruptive effects of the twenty-year Federal effort to make this false premise effective are now being felt in increasing dependence on imported oil, and massive curtailments of natural gas service; tragically, the worst effects of the regulation-induced natural gas shortage are yet to come.

So long as I am a Commissioner, I bear a responsibility for the effects of Commission action. Since I now believe the Commission, because of legislative

shackles, is incapable of decisive action to avert further deterioration of service to consumers, and since the Democratic majority of the Senate and House Commerce Committees will not permit deregulation proposals to move out of Committee, I am no longer willing to share responsibility for what will ensue. I am particularly concerned that those Democrats who control the Senate Commerce Committee intend to give us—in place of regulatory reform—legislation such as the Stevenson bill (S. 701) or the Hollings bill (S. 692) which can only operate to destroy the small gas supply effort which now exists.

Please be assured, Mr. President, of my genuine appreciation of your work and your leadership in the field of regulatory reform. Your Administration has consistently been in the forefront of the effort to warn the American people that natural gas regulation is contrary to the public interest, and destructive of a vital energy supply. In these efforts, you have my complete and unqualified support.

I wish to express also my faith in your ability to lead this Nation through these most trying and perilous times. If only a semblance of bipartisan statesmanship were present in the Congress, to assist and support and sustain your efforts, the time of disruption and peril could be greatly shortened. The public will demand this, sooner or later; may God grant that it come sooner.

You have my gratitude, and that of my family, for your service to this country.

Respectfully,

RUSH MOODY, JR.

[Honorable Gerald R. Ford, President of the United States, The White House, Washington, D.C. 20500]

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Remarks at the Swearing In of William T. Coleman, Jr.,
as Secretary of Transportation. *March 7, 1975*

Mr. Secretary:

Before making an observation or a comment, as we walked in I couldn't help but note that back in 1963 I had the first opportunity of meeting the Secretary. Following the tragedy of the assassination of President Kennedy, I was appointed by President Johnson as a member of the Warren Commission. And the Commission, under the leadership of the then Chief Justice, sought out the finest lawyers we could find. And one who was recruited to be on the staff of the Warren Commission was our now about-to-be Secretary of Commerce—Secretary of Transportation, excuse me. I'm not switching jobs on you; I'm thinking of one we have to fill. [*Laughter*]

But anyhow, it was a pleasure to work with him then, and I have been very proud of the contribution that he made on that very important assignment.

When we were looking for a Secretary of Transportation, Bill Coleman's name was right at the top of the list. But Mr. Secretary, you have your work cut out for you. The policies and the programs of your department will play a very critical role as this Nation proceeds toward energy independence.

Transportation accounts for over 50 percent of our total petroleum use. To attain the goal of energy independence, we need strong assistance from the transportation sector.

In January, I signed a bill making the 55-mile-per-hour speed limit mandatory. It contains tough provisions so the Secretary of Transportation can ensure strict enforcement by the respective States. The State governments will soon be certifying to you that they are enforcing the speed limit prior to the future release of Federal highway funds. Strict enforcement of the 55-mile-per-hour limit is absolutely essential. It will save lives as well as energy. I will look to you for stern but equitable enforcement.

You will also be working closely with my energy and environmental advisers to improve the fuel efficiency of automobiles produced in this country. I am determined to reach the goal of a 40 percent improvement by 1979 in the energy efficiency of new cars sold in this country.

Another important part of our transportation program affects energy. It is the National Mass Transportation Assistance Act of 1974, which I signed in November of last year. I worked for the passage of this bill in the last days of

the 93d Congress, and I am looking to you for vigorous implementation. It provides \$11½ billion over the next 6 years for mass transit. This means that we will be spending in the next fiscal year almost 70 percent more Federal funds for mass transit than we spent in the last fiscal year.

We must take steps, of course, to save the Nation's railroads. The United States desperately needs its railroads to transport the vast quantity of goods in a fuel-efficient manner necessary for our economy to survive and to prosper. Railroads are an important mover of energy, especially coal, and we will need to double our coal production by 1985. Railroads obviously will play a major role in helping us to obtain our energy objectives.

Working with you, Mr. Secretary, I plan to submit to the Congress over the next several weeks very important legislation in the transportation area. I will propose a new highway bill, which will set forth a revised highway program through the year 1980. Also, the Federal airport program expires on June 30. I will propose major revision in the airport and aviation programs.

Another important legislative initiative which the Administration will be submitting to the Congress concerns reforms of the economic regulation of transportation by the independent Federal agencies. Regulatory reform is critical if we are to reduce the rate of inflation which inflicts the Nation. Nothing is worse than inflation caused by Government requirements.

Mr. Secretary, I'm very pleased to welcome you into one of the toughest Cabinet posts in our Government and to wish you success as we work together.

Now, Mr. Secretary, if you still want the job—[*laughter*—I will ask Mr. Justice Marshall to please administer the oath.

[*Following his swearing in by Thurgood Marshall, Associate Justice of the Supreme Court, Secretary Coleman responded to the President's remarks. The President then resumed speaking.*]

We will leave here now, but in the State Dining Room there will be some refreshments. And I do invite all of you to join Bill and Mrs. Coleman and the other guests in the State Dining Room.

NOTE: The President spoke at 12:10 p.m. in the East Room at the White House. Secretary Coleman's response to the President's remarks is printed

in the Weekly Compilation of Presidential Documents (vol. 11, p. 252).

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Remarks at a Dinner Meeting of the Republican National Leadership Conference. *March 7, 1975*

Thank you very much, Mary Louise. Distinguished members of the Cabinet, my good friends from the House of Representatives and the Senate, all of you wonderful Republicans—2,751 of you:

I thank you for the wonderful welcome. I do want to thank you, Mary Louise, and Dick as well, for the superb job that has been done by the national committee in making this tremendous evening and this wonderful conference possible. I think we all owe to her and to Dick a great debt of gratitude.

You know, we have had a very good day today. I haven't followed by the minute what you have been doing, but I must say that we had one of the finest, nicest, best swearing ins of a Cabinet officer today with the swearing in of Bill Coleman as the Secretary of Transportation.

To come from that wonderful occasion at the White House to a meeting of this kind tonight really gives me a rejuvenation and extra faith that we are the party that can do the best job in leading this Nation.

I couldn't help but notice that Mary Louise has been spending more and more of her time talking to large groups like this. Then again, her counterpart, Bob Strauss, the Democratic national chairman, has been spending more and more of his time talking to large groups—not audiences, but candidates for President. [Laughter]

Tonight, before I go any further, let me thank you all for your wonderful kindness, your enthusiasm, and your continuing support. And may I say with deep regret, unfortunately, Betty couldn't be here tonight. She wanted to be here; she is here in spirit; but she has got one of these very uncomfortable pinched nerves in her neck, and every once in a while, when she wants to do the things she wants to do most, it always acts up. So, she is here in spirit. She asked me to say hello to you and thank you for your wonderful support.

But you know, I can't say strongly enough how good it feels to be among so many good, veto-proof friends. [Laughter]

The time you are spending in Washington is very important for me, for you, but most importantly, for our country. The strength, the enthusiasm, the know-how that you have, that you have shown here by your participation in this conference, is proof that creative, active, winning Republicans will never be an endangered species.

If what I hear from Mary Louise and others is correct—and I assume it is—many in this audience are new at meetings of this sort. I was delighted to have an opportunity to have dinner with some of those who—either lucky or unlucky—have the prerogative of sitting at the head table. And I congratulate you and thank you for having spent your own money to come here. [*Laughter*] The new energy you are generating will obviously be felt very distinctly throughout the Republican Party. Your involvement and your dedication, I hope, from the inspiration of this meeting, will grow. And the net result is that our Nation—and that is the important thing—will be the beneficiary.

I have read about, heard about, your program. It is extremely impressive. You have had the broadest spectrum—or will have before you are through—of individuals and philosophies within our party. And I wish to commend Mary Louise and her coworkers for putting such an important emphasis on the “nuts and bolts” which bind our party structure together.

I couldn’t help but repeat at this time the delight that I had that 10 of your colleagues selected at random have joined us at the head table, because in all honesty, I think this symbolizes the new and broader base that our party seeks.

You know, nearly a year ago, I had the honor and privilege to appear before a Republican meeting similar to this in Chicago. I said then that we must never again permit an elite group or an elite guard serving a single purpose to exclude and to ignore the regular party organization. And I renew that pledge to you here tonight.

Then, as now, I felt that working through and with the established party structure is the right way to go. New election reforms, particularly those dealing with finances, validate the policy that I advocated a year ago.

They do not rule out committees and other voluntary organizations or groups working in cooperation with the party structure. But they do tend to favor the two-party system in which I have always profoundly believed.

As to my role in the Republican Party, you can be sure that whenever it is proper—and I stress that point—I intend to exert my efforts on behalf of good Republican candidates and the rebuilding of Republicanism to the fullest, consistent with my duties as President of the United States.

I think it is quite obvious the demands and the duties of the Presidency can impose certain limitations on my political activities. But I pledge to you now that I will be in the middle of the 1976 campaign, not only for the Presidency but on behalf of Republican candidates for the House as well as the Senate. I want to add that my efforts will include candidates for the governorships and other elective offices across the United States. I think many of you in this

audience know that I have been doing this for a great many years, and I am too old to change good habits now.

Specifically, I want to work closely with Mary Louise, Guy Vander Jagt in the House races, Ted Stevens in the Senate races, with Kit Bond in the gubernatorial races, and with our party chairmen—how do we say it now, national committeepersons—[*laughter*—in each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and our wonderful territories around the world.

But you and I know one fundamental fact: The greatest contribution that I can make to the country and to the Republican Party will be to make solid progress in solving our national problems, particularly our domestic problems, but equally important, our international problems. I intend to do just that.

As to my own plans, I can tell you tonight without equivocation that I fully intend to seek the nomination of the Republican Party as its candidate for President in 1976.

I think any of you who know me reasonably well know that I am not a very subtle person. Therefore, there is nothing “iffy” about that statement. I intend to seek the nomination. I intend to win. I intend to run for President. And I intend to win that also.

Of course—and this is most important—I will need your help, and so will all other Republican candidates in 1975 and 1976. But before we get into 1976, we have 10 more months of 1975. As I look at the spectrum, they are very, very crucial.

I have laid before the Democratic-controlled Congress fully detailed programs to reverse the recession, to contain our recently raging inflation, and to start freeing us from the threat of oil blackmail.

Although the response at first was deadly slow, a sense of greater urgency may now be arriving on Capitol Hill, and for that we can all be very grateful. But let me say without any equivocation I am going to keep the heat on, at least to 68 degrees. [*Laughter*]

You know, Americans are today demanding action. They are rightfully fearful that some people in Washington are so insulated that they don’t know the desperation of being jobless or of living on an inadequate income or pensions that can’t catch up with runaway inflation.

Fortunately, we are beginning to get a grip on inflation, but unemployment is far too high. The problems which desperately need to be dealt with have been growing for some time.

So, I ask my Democratic friends, who are in massive control of the Congress: Where are the tough, coordinated, comprehensive programs which our urgent and interrelated economic and energy problems demand? A piece here, a little touch there—they don't add up to an effective total program. They are totally inadequate.

So, I say in all sincerity to my critics in the Congress and elsewhere: If you don't like my program, show me a better one.

Even on something so widely supported as a stimulative tax cut, which by all standards ought to be something easy for the Congress to enact, there has been the kind of delay that is totally inexcusable.

Extremely difficult choices must be made this year and in succeeding years by the Congress to limit the growth of Federal budgets and Federal deficits. But the results, so far, from Capitol Hill are very disappointing.

Unless Members of Congress have the political courage to cut back or cut out various well-intentioned programs, we will soon come to a point, by simple arithmetic, where half, just half, of this country's entire gross national product will be taken by our various levels of government. Already—and this is hard to believe—we are spending approximately one-third of our gross national product to support government at all levels.

It is my judgment that this trend could destroy the fundamental free-enterprise character of this country and the economic incentives which have made us the leader of the industrialized democracies.

I believe that only a revitalized Republican leadership in all branches of government can change this distressing course. The accumulated actions of some 38 years of Democratic-controlled Congress out of the last 42 years will not be reversed by this Congress. I don't intend to turn in my key to the White House until we have reversed this trend.

Now, it can be argued by some that because our national problems are so serious, we should not be wasting time on the problems of our party—or any other party. Yet it is precisely because of our national problems that it is essential to look to our party and its revitalization everywhere.

I know what the polls show as well as you, and I say with all the conviction that I can command: The standing of our party has hit its lowest point, as far as I am concerned, and it is going upward from this point at this gathering.

But let's be honest about it. If we fail to rebuild effectively, the cost would not be measured by the fate of the Republican Party itself. It would be measured, more importantly, by the deprivation of a basic right of all Americans, a free

choice in politics. It would be measured by the death of the effective two-party system, which is so vital to our Nation.

In far too many cities and counties, and even some States, there is still virtually one-party rule. Voters can only ratify the decisions of the single surviving party. And in far too many of the same areas, corruption and abuse march hand-in-hand with one-party misrule.

The abiding virtues of a strong two-party system are threefold: First, it provides a continuing choice. Second, the system forces the maximum of accommodation and compromise, instead of promoting stalemates encouraged by splinter parties. Third, the system excludes the fanatic factions which cannot be accommodated, but includes the broadest range of reasonable differences and, thus, holds both major parties closer to the mainstream of public opinion in this great country.

To make sure that Republicans are really on the rise, we must make some practical changes in our political ways—not in principles, but in approaches.

As a starter, we must discard the attitude of exclusiveness that has kept the Republican Party's door closed too often—[*applause*]. With your indulgence, may I make a final comment on that sentence. We must discard the attitude of exclusiveness that has kept the Republican Party's door closed too often while we give speeches about keeping it open.

It seems to me we must erect a tent that is big enough for all who care about this great country and believe in the Republican Party enough to work through it for common goals.

This tent, as I see it, must also be kept open to the growing number of independent voters who refuse to wear any party label, but who will support strong candidates and good programs that we as a party can have and will present. These voters must be welcomed and won to our cause.

We must be prepared, then, to overcome the cynicism of voters by offering candidates of outstanding ability and rock-hard integrity. We must also build a party that works all the time. It must be more than a preelection force that goes out of business after the votes are counted on election day. And perhaps most important of all, we must demonstrate conclusively that, as a party, we care about people—that we care about people first, last, and always, and always will.

Over the past decade or so, the attitudes of the American people have changed about government in general and politics in particular.

Years of war, three major assassinations, official duplicity, and rapid and

shocking changes in this Nation's social and political structure have combined with instant communications to erode old views and old loyalties. People have begun to tune out political parties and politics as usual.

One tragic measure of this is the dismal record of voting in last November's election. According to a national sampling by the Bureau of the Census, a bare 21 percent of persons 18 to 20 years old bothered to go to the polls.

It is a sad commentary. Fewer than half of the persons of the voting age in this country in 1974 actually cast a ballot for or against any person or any political party. The actual figure was only 44 percent. The same sampling showed that more than one-third of the citizens eligible to vote had not even registered. It is unbelievable. When you compare our record with that of almost any other country in the world, we have done very badly.

Yet, the figures I have cited provide us with a rough roadmap toward the route of fundamental party reform. If nearly 80 percent of the 18 to 20 year olds did not vote the last time, then obviously they should be a priority target for our party and our candidates in the next election. I happen to think, with the right candidates and the right programs, the right ideology, that is a most fertile field.

I know at first hand that many of you here tonight enlisted volunteers from this very large age group, who proved to be among the best and the most capable workers that you had in the campaigns in which all of you were involved. It is my judgment that we need more, not less, of these young idealists who have the biggest stake in our Nation's future. Let's bring them in.

Our Republican Party program for reform must recognize that chronic nonvoters, as well as voters, just aren't buying the old idea that virtue and wisdom are the monopoly of one political party or the other. As a matter of fact, by staying home last November, more than half of the people in this country said, in effect, a plague on both your parties. As a result—and this is the true tragedy of the situation today—as a result, we are governed today by a majority of the minority.

Thus, the magnitude of our job—yours and mine and millions like us—must not be measured solely within our own party, but within the larger scope of what is good for the Nation in its long-range future.

Our first and most urgent task is to work together to restore the full trust of our fellow Americans in the ongoing experiment of self-government.

Let last November mark not merely the low point of our party but also the upturn of the basic trust and good will we must have for [one] another, for our

system of politics and government, and above all, for the future of this great Republic.

Thank you very much.

NOTE: The President spoke at 9:20 p.m. in the International Ballroom at the Washington Hilton Hotel. In his remarks, he referred to Mary Louise Smith, chairman, and Richard D. Obenshain, co-chairman, Republican National Committee; Repre-

sentative Guy Vander Jagt, chairman, National Republican Congressional Committee; Senator Ted Stevens, chairman, National Republican Senate Committee; and Gov. Christopher Bond of Missouri, chairman, Republican Governors' Association.

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Message on the Observance of Black Press Week.

March 10, 1975

AS WE approach the celebration of our national bicentennial, it is appropriate that we pay tribute to the black press in our country. Since the early Nineteenth Century, America's black newspapers have championed the cause of equal opportunity and justice. They have staunchly defended the very principles on which our nation was founded and sought full expression for those principles in our daily lives.

I know that I am joined by countless fellow citizens during this observance in giving special recognition to the crucial role of the black press in perpetuating and preserving the legacy of freedom we cherish.

GERALD R. FORD

NOTE: Black Press Week, sponsored by the National Negro Publishers Association, was observed March 10-16, 1975.

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Remarks at the Swearing In of Carla A. Hills as Secretary of Housing and Urban Development. *March 10, 1975*

Carla, Rod Hills, Mr. Justice White, members of the Cabinet, Members of Congress, the Hills family, and distinguished guests:

I am in very good company in welcoming Carla into the Cabinet as Secretary of Housing and Urban Development. Carla, Mr. Justice White—who is about to administer the oath—HUD Under Secretary Jim Mitchell, and I are all graduates of the Yale Law School.

Maybe I better not say that too loudly. I can imagine a dozen other prospects starting to practice "The Whiffenpoof Song." [*Laughter*]

The job facing the new Secretary, of course, is an immense responsibility. She assumes this great responsibility of administering this important department at a time of recession in the housing industry. However, she has the unique skills and dedication which are vital in helping us move through a very difficult time in the productivity and the vitality in the housing and urban development areas.

Carla has a tough act to follow. Her very capable predecessor at HUD, Jim Lynn, was instrumental in achieving, with the Members of Congress, passage of the historic Housing and Community Development Act of 1974, which I was privileged to sign into law last August. One of Carla's major jobs will be to implement this massive and, I believe, progressive program.

Incidentally, Carla's budget for fiscal year 1976 will be \$7.1 billion. That is \$1.6 billion more than was given to her predecessor Jim Lynn. Now, if that does not dispose of male chauvinism, nothing will. [*Laughter*]

Senator Sparkman, who in the last Congress was chairman of the Senate Committee on Banking and Currency, calls this act the most significant in the field of housing legislation since 1934. It will be of tremendous value in restoring our locally elected officials' decisionmaking authority in the housing and community development fields and in broadening the opportunities for individual home ownership.

Restoration of the housing market is imperative. I am convinced that our new Cabinet officer is equal to that difficult challenge and others which will confront her.

She is a distinguished attorney and author and has served us mostly ably as Assistant Attorney General for the Civil Division of the Department of Justice. She earned unanimous praise for her administrative ability as well as her legal talents. Her intellectual credentials have been demonstrated by her achievements in professional and civic affairs.

Of course, Carla will not be alone in the task facing her—spending all of that money. She has an excellent department to work with at HUD. And I am completely optimistic about the future of that agency under her leadership.

So, from this moment on, let me make one final suggestion. If you have any questions, any problems, or any concerns about housing and urban development, don't come to me—head for the Hills. [*Laughter*]

Carla, we welcome you aboard, and Mr. Justice White will now proceed with the administering of the oath.

NOTE: The President spoke at 12:07 p.m. in the East Room at the White House. Byron R. White, Associate Justice of the Supreme Court, administered the oath of office.

Secretary Hills' response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 259).

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**Letter Accepting the Resignation of Deputy Attorney General
Laurence H. Silberman. March 12, 1975**

Dear Larry:

I have your letter of February 21, and it is with deepest regret that I accept your resignation as Deputy Attorney General, effective upon the appointment and qualification of your successor, as you requested.

In doing so, I want to take this opportunity to express my personal appreciation for your dedicated service to our Nation and to my Administration. Throughout your career in government, you have brought to each of your many challenging responsibilities great energy, skill and high professional integrity. I have had many occasions, particularly during this past difficult period of transition, to admire these qualities and to seek your valued counsel. Your devotion to the proper administration of justice throughout our land, and your significant contributions to the operations of the Department of Justice have earned the gratitude of all your fellow citizens and my own deep respect.

Betty joins me in extending to Ricki and you our warmest good wishes for the future.

Sincerely,

JERRY FORD

[The Honorable Laurence H. Silberman, Deputy Attorney General, Washington, D.C.]

NOTE: Mr. Silberman's letter of resignation read as follows:

My dear Mr. President:

I herewith tender my resignation, effective upon the appointment of my successor.

It is always a privilege to serve the President of the United States in any capacity but I have been particularly fortunate to have worked in your Administration. Your candor, decency and leadership have created an atmosphere throughout gov-

ernment which is vitally important to our nation in these critical times.

I wish you and Mrs. Ford every continued success and happiness.

Respectfully,

LAURENCE H. SILBERMAN
Deputy Attorney General

[The Honorable Gerald R. Ford, The White House, Washington, D.C. 20500]

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Memorandum on Budget Rescissions and Deferrals.*March 12, 1975**Memorandum to the Heads of Departments and Agencies**Subject: Rescissions and Deferrals*

When my first special message on rescissions and deferrals was transmitted to the Congress last September, I asked each of you to work closely with the Congress to gain the necessary acceptance of the rescissions and deferrals that would be transmitted.

I was disappointed when the rescission bill passed by the 93rd Congress last December did not support rescission of more than \$540 million of budget authority and, therefore, is resulting in unnecessary Federal spending. I later noted in my Budget message that "while recommending temporary measures to help the economy and to provide greater assistance to the unemployed, I have sought, on an item-by-item basis, to eliminate non-essential spending and avoid commitment to excessive growth of Federal spending in the long run."

The action about to be taken by the 94th Congress on rescissions proposed last November may result in full or partial rejection of 25 rescissions and more than \$440 million of budget authority.

We must do a better job of persuading the Congress that our case is sound. The reductions I have proposed are the result of careful study and assessment as part of my review of all Federal programs. Restraint on the growth of total Federal spending is essential if we are to avoid commitment to excessive growth of Federal spending and a resumption of inflationary pressures in the long run.

I am sure I can count on you and your staff to not only defend but also to vigorously advocate the rescissions and deferrals I have proposed and will propose in the future.

GERALD R. FORD

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Remarks at a Dinner Marking the Issuance of a Commemorative Stamp on Collective Bargaining. March 13, 1975

Thank you very much, Ted. Mr. Winspisinger, Ted Klassen, Ben Bailar, Bill Usery, the two really honored guests here tonight, ladies and gentlemen:

It really is a great privilege and pleasure to have the opportunity of stopping by, and I wish that I had an opportunity to spend more time and meet each and every one of you individually.

I happen to think that what you represent is a most important ingredient in our society here today. I think all of you know, even better than I, that our American system of free collective bargaining is very uniquely deserving of this special honor it is receiving through the issuance of this stamp.

It has been my observation, as I visited and traveled throughout the world and as I have read history—as all of you and many others have—history has shown that only where there is free collective bargaining is there a free society.

The stamp's theme, "Out of conflict . . . accord," is one to which every citizen can subscribe. The fact that we have developed a strong, flexible collective bargaining system stands as a tribute to the millions of men and women of both labor and management who have devoted themselves to building a better and better America.

I think it is quite obvious that we need to build a better America today. We need courage, we need patience—courage to face the vital issues before us and patience to work out just solutions.

Our people cannot live on islands of self-interest. We must build bridges and communicate our agreements as well as our disagreements. Only then can we honestly solve the Nation's problems. And those problems are tremendous. Those problems need our total dedication as we move ahead.

One of the longest and sturdiest bridges in this land is collective bargaining. Today, more than ever in the past three decades, there are really three parties at each bargaining table—management on the one hand, labor on the other, and the third, our national welfare.

There is an ever-growing responsibility on two sides for restraint in the interest of the third party—our national interest. I most sincerely ask all of you here this evening, and all members of labor and management teams around the country, to remember that there is a silent partner sitting down with you at each bargaining session, your fellow citizens everywhere.

Let's try to remember, as we can, bearing each individual's respective responsibility, America's interests, and the search for social as well as economic progress—our objectives, yours as well as mine, are as old as human nature. Each man and each woman are the roots of his or her own survival.

So, it is so true in democracy. Democracy has within it the roots, as well as the strengths, to save itself. And that strength is national unity and a strong, strong national purpose.

Many Americans see precious little advantage in the Nation in the debate and the delay that has characterized Washington in the past several months. Rather, they are convinced that action, concerted action, is now precious to our country and may, in the long, long run, prove priceless.

It is said that an atmosphere of compromise now pervades Washington. I believe that is correct and that is good, and I would like to see that mood develop into a movement, into agreement as well as action for America.

It seems to me, as I travel around the country, as I read the mail, and as I talk to people here in Washington, Americans see delay, Americans see division, lack of concerted action, and they don't like it. They want to see some collective bargaining between the executive and the legislative branches of their Federal Government.

I have said, for example, that I am willing to compromise on a tax cut, and I repeat here this evening that I am willing and anxious to achieve some compromise in this area. However, it is also my observation that the American people will not stand still for a government that is standing still.

The American people, for example, want a tax cut now. I think more of us ought to start listening to America instead of listening to ourselves here in Washington.

It is my further observation that I hear America calling for action, reasonable action in a reasonable amount of time. I suggest in the tax cut area action by the end of March, this year.

It is my strong belief and deep conviction that we ought to get to work. Let us give recession and unemployment a new "one-two," the President and the Congress hitting both of them simultaneously.

It is my belief that if we do so, we will put all our workers back to work so free collective bargaining can flourish in the future.

Thank you very much.

[At this point, Postmaster General Benjamin F. Bailar presented the President with the first folio of the commemorative stamp. The President then resumed speaking.]

Thank you, Ben. Will you all sit down and let me make an observation. I was looking in the office—I have a little private office over the Oval Office—at a stamp collection that was started in our family a good many years ago.

As a matter of fact, I have a stamp collection book that was given to me by an uncle and an aunt, given to me in 1922, which they had started in Argentina when they were stationed there with an American company in 1912.

I don't know what it is worth—I am not that knowledgeable—but a collection of stamps, I think, is a great, great hobby. I have been collecting things in this area. And at some time in the future I am going to sit down and enjoy them and really get the benefit from the great causes and things that they represent.

I thank you very much, Ben, for your thoughtfulness and your expression on this occasion. This will be one thing that I will remember for a long time, and very deeply.

Thank you.

NOTE: The President spoke at 9:06 p.m. in the Congressional Room at the Statler Hilton Hotel at the dinner sponsored by the Institute of Collective Bargaining and Group Relations, Inc., of New York City.

In his opening remarks, he referred to William W. Winspisinger, president, and Elmer T. Klassen, chairman of the institute, and W. J. Usery, Jr.,

Director of the Federal Mediation and Conciliation Service.

The "honored guests" to whom the President referred were Bob Hallock, designer of the commemorative stamp, and George Segal, whose sculpture honoring collective bargaining was unveiled at the dinner and was presented to the U.S. Government.

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Remarks to Participants in the Government Affairs Conference of the National Newspaper Association. *March 14, 1975*

IT IS nice to see you all, and it is very, very nice to have you in the White House and in the East Room.

I think it is particularly appropriate that we meet here in the East Room to chat for a few minutes about some of our Nation's problems. As I think most of you know, the East Room is very, very rich in history in our National Capital. This famous room is full of happy as well as sad moments in the lives of residents of this house and in this Nation's past.

You might be interested to know that the first First Lady in this house was Abigail Adams, who wrote her family of hanging laundry in this room and the problems of the new Federal City. Mrs. Adams sent news to her family of the large and small problems that she faced as First Lady—the same kind of news, I might add, that you in this room share with your readers back home.

I have some very fond memories of non-metropolitan weekly and daily newspapers in the Fifth District of Michigan, which was, of course, the district that I had the honor and privilege of representing for over 25 years. During the various Congressional campaigns that I had—13 in all—I advertised very, very heavily, with good results—[*laughter*]*—*which I think is a tribute to the impact that all of you in your respective communities has on the people that you represent.

I know firsthand that the weekly newspaper or the daily newspaper in a suburban area is the best means of communication, and I have been in many homes in rural areas as well as in small towns where the paper that came on Thursday or Friday was still good reading material on the following Wednesday. [*Laughter*]

In recent years, the growth in the number of suburban newspapers, I think, reflects the importance of this brand of personal journalism. In an age of mass communications, you are in the business—and fortunately—the business of local communications. It is my judgment, as I expressed a moment ago, that you fill a very important need for your readers—the need to know about the problems of the local community.

Although we must recognize—and we do—that the world has grown small and interdependent in many, many ways, the fact remains that the news around the corner and down the street is still mighty important to people all over this great country.

We live in a very mobile society, and too many of us, we have been pulled away from our communities. We have been pulled away from the roots of our early youth. Yet, your newspapers put us in touch with our new communities and give us links to our hometowns.

I think it is very fortunate that you are a part of the dialog that keeps self-government going—healthy, strong, and very critical in these days. Naturally, I admire your work, but I add very quickly that I need your help. A meaningful discussion of national problems cannot take place only on network television or in large metropolitan newspapers, because these forums do not provide sufficient opportunity for audience response and direct participation.

One of the reasons, in my judgment, it is important for me and members of this Administration to travel around our country and to meet in Washington with groups like this one is to listen as well as to talk about the Nation's problems.

Perhaps my Congressional background convinced me of the value of face-to-face contact, but there is no substitute for the discussions of ideas in person with

community leaders such as yourselves. The best briefing paper in the world cannot explain problems as well as someone who deals with those problems on a very daily and direct basis. Governors or mayors or publishers—you are all equally important.

Government officials, I have learned, whether it was in the Congress or in this house, need more talkback from the people that they serve, and that is particularly true of those of us in Washington in the political atmosphere in which we live. This town can be just as parochial as a town of 250 people, and in some respects it is even more so.

One of our ways at the White House of getting talkback is the briefing sessions that you have participated in, but another is for you to send your comments, your editorials to Ron Nessen of our Press Office. We need to hear from you, and we need to hear from the readers that all of you serve.

We also need your help in describing the problems and the solutions that seem to be the best answer to the problems that we have. But the economic and energy debate underway now must not become simply an exchange of rhetoric, whether it is in the printed media, the electronic media, or just plain talk among people. The debate, as I see it, must produce action.

In January, for example, this Administration outlined a comprehensive program to deal with some very harsh realities facing our Nation, both economically and in energy. We made some hard, stern choices in drawing up the Administration plan. I can tell you from personal experience, countless hours working in these two major fields—and we finally culminated all of these hours of many, many people in a program or a plan—the kind of choices that some politicians would rather talk about than make.

You deal with deadlines in your business, and I can recall vividly going to many smaller communities in my district on a Wednesday to talk with people in those communities, and I always stopped by the local weekly to chat with the editor. I soon learned that Wednesday was not the time to do it. [*Laughter*] If I wanted to lose points rather than make them, I did it on a Saturday or on a Monday.

As I said, you deal with deadlines, and if those deadlines aren't met, then you can't serve your readers on time. It is my judgment that the Congress must respond to some very real national deadlines.

I asked, for example, for action by April 1 on the rebate of 1974 income taxes for individuals as well as for business. There has been much discussion on who should receive the tax rebates—a discussion based too often on purely political considerations.

I don't think we can look at this rebate on a political basis. We have to look on how a rebate will affect all Americans. It is sometimes fashionable to talk as if what is good for the American economy is not good for the American people. This tendency to treat the economy as an abstract idea divorced from the lives of the citizens leads to some unfortunate piecemeal proposals.

When the economy is sound, it means the people of this Nation are able to live comfortably without fear of inflation and with jobs.

To meet the proposed April 1 deadline on the tax cut, which is a program to stimulate the economy to provide jobs, the Senate must act before it recesses March 21, and the House of Representatives before its March 26 Easter recess.

The tax cut is only a part of the program that this Administration—that I proposed in January, and there has been more response from Capitol Hill on this proposal than on many others. But as necessary as the tax cut is for the reasons that I have given, it is only a very small piece of the total action that must be taken and taken quickly.

It is my judgment that the Congress must act on other parts of this total package, especially in the field of energy. In the State of the Union Address, I called for action in 90 days on a more comprehensive tax program. The first response by the Congress to this plea unfortunately was to negate any action by the President to impose levies on imported oil, and those levies were imposed for the purpose of trying to remove our Nation's vulnerability and to stimulate action by the Congress, but the reaction of the Congress was to attempt to suspend Presidential authority for 90 days.

I think many of you know that I vetoed that bill, but I did, in the spirit of compromise, delay the imposition of the added import levies until May 1 to give more time for the Congress to act in committees, on the floor of the House and the Senate, and in the final action in a conference.

It is my very serious judgment that the Nation's current economic and energy situation is so critical that the deadline for action cannot be pushed back indefinitely. As you well know, the time comes when there is a final deadline; we in America are approaching that point. Every day of delay by the Congress makes the United States more and more vulnerable to decisions by the foreign oil cartels.

There is national agreement on the need for action and the ultimate result. And there is within the spirit of the American people a willingness to accept the hard choices required to regain economic stability and achieve energy independence.

In many ways, the President and the American people now wait for the Congress to catch up with us.

As Ralph Waldo Emerson once said, and I quote: "In skating over thin ice our safety is our speed."

Well, despite the weather outside, the spring thaw is coming, and the Congress must pick up its speed.

Thank you for coming today. I am deeply grateful that you are here. And I close with a traditional and heartfelt saying, "Let us hear from you." And I must add, I am sure I will.

Thank you very much.

NOTE: The President spoke at 4 p.m. in the East Room at the White House.

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Special Message to the Congress on Federal Airport and Airway Development Programs. *March 17, 1975*

To the Congress of the United States:

In my fiscal year 1976 Budget Message, I stated that my Administration would transmit legislation to restructure existing Federal airport and airway development programs. Following extensive consultations with members of the Congress, State and local governments, aviation groups, and others, I am today sending a comprehensive legislative program to the Congress.

To help ensure continued improvement in the safety and efficiency of the Nation's excellent air transportation system, this program will extend for five years the 1970 Airport and Airway Development Act to provide funding authorizations for fiscal years 1976-80.

As an additional step to enable State and local officials to plan and to manage Federal airport assistance effectively, this bill would establish multi-year, predictable formula to allocate the bulk of the aviation grants funds directly to States and local airport sponsors. This formula approach, coupled with other features of this bill which provide more flexibility in the use of Federal assistance, will enable State and local officials to address *their* highest priority airport needs while reducing burdensome Federal red tape. I am also proposing removal of federal restrictions which currently prevent State and local governments from imposing certain airport taxes.

One of my principle goals is the establishment of strong partnerships among Federal, State and local governments in the execution of national domestic

programs. Consistent with this goal, this legislation provides for gradually increasing the responsibility of the States in the general aviation program. With many States using new general aviation facilities to stimulate community development, this is an appropriate step at this time.

The legislation I am proposing today also includes a separate measure to adjust the revenues accruing to the Airport and Airway Trust Fund. These adjustments are designed to generate financial contributions from the users of the aviation system which more equitably match the system benefits they receive. In this connection, I am requesting that user revenues also finance the direct costs of maintaining air navigation facilities.

I commend the Congress for initiating hearings on this important problem and for its prompt attention to the extension of the airport and airway development program. I have asked Secretary Coleman to work closely with the Congress to insure speedy enactment of the aviation program I have proposed to meet the challenges of a growing America.

GERALD R. FORD

The White House,
March 17, 1975.

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Address at a University of Notre Dame Convocation.
March 17, 1975

Father Hesburgh, Governor Bowen, my former good friends and colleagues in the Congress, Senator Birch Bayh and Senator Hartke, Congressman John Brademas, distinguished public officials, honored faculty, members of the student body, and distinguished guests—and I add our new Attorney General:

It is really a great privilege and a very high honor for me to have the opportunity of being in South Bend on the University of Notre Dame campus, but I am especially grateful for the honor that has been accorded me this morning. I really cannot express adequately my gratitude being made a member of the Notre Dame family. I thank you very much.

I would be most remiss if I did not also express as strongly and as sincerely as I can the gratitude that all of us have in the Government for the contributions that have been made, not only in the program described by Father Hesburgh but by his many other contributions. I say to you, Father Hesburgh, thank you from the bottom of our hearts.

This has been a most exciting morning. As we were getting off the plane at the county airport, a rather amazing thing happened. Somebody asked me how to get to the campus of the University of Notre Dame. What made it so amazing—it was Father Hesburgh. [*Laughter*]

I especially want to thank Father Hesburgh for all he has done to make me and my party most welcome here today, and particularly for granting amnesty to the classes this morning.

It is also a rare opportunity for me to be at Notre Dame, the home of the Fighting Irish, on, of all days, St. Patrick's Day. I tried to dress appropriately, and honestly, I have a green tie on. Let's face it, this is one day we can all be part of the greening of America.

As your next-door neighbor from Michigan, I have always been impressed by the outstanding record of the students of the University of Notre Dame. You have always been leaders in academic achievement, in social concerns, in sports prowess, and now once again, you are blazing new paths in the developments of new concepts in mass transportation. Some communities have the monorail; some have the subway; Notre Dame has the quickie. [*Laughter*]

The Fighting Irish of Notre Dame have become a symbol of the tenacity and determination of the American people. But Notre Dame believes not only in might on the football field or on the basketball court but in a spiritual response to humanity's struggles for a decent life.

I have been told that many of you chose to go without a normal meal, eating only a bowl of rice, to save money to help feed the world's hungry. It is heart-warming to know that students are concerned about others abroad at a time when many here at home are finding it difficult to afford an education or to get a job. Although life is hard for many Americans, I am proud that we continue to share with others. And that, in my opinion, is the measure of genuine compassion. And I congratulate you.

I am especially proud to be on a campus that looks up to God and out to humanity at a time when some are tempted to turn inward and turn away from the problems of the world. Notre Dame's great spokesman, Father Hesburgh, is known in Washington as a nonconformist. I must admit that I do not share all of the Father's views. But he is following one nonconformist viewpoint to which I fully subscribe, and I quote: "Be not conformed to this world: but be ye transformed by the renewing of your mind, that ye may prove what is that good, and acceptable, and perfect, will of God."

To conform to apathy and pessimism is to drop out and to cop out. In that sense, I fully reject conformity. In that sense, I am a nonconformist who con-

tinues to be proud of America's partnership with other nations and who makes no apology for the United States of America. America's goodness and America's greatness speak for themselves. I believe in this Nation and in our capacity to resolve our difficulties at home without turning our back on the rest of the world.

Let me share a personal experience. I was elected to the Congress in the aftermath of World War II. A nonpartisan foreign policy was emerging at that time. America realized that politics must stop at the water's edge. Our fate was linked to the well-being of other free nations. We became the first nation to provide others with economic assistance as a national policy. Foreign aid was an American invention or an American project of which we can be justifiably proud.

Today, as I look back, I am grateful for the opportunity to serve in our Government during the third quarter of the 20th century. These past 25 years, while not perfect, were incomparably better for humanity than either of the two previous quarters of this century. There was no world war nor global depression. Major nations achieved détente. Many new nations obtained independence. There has been an explosion of hope, freedom, and human progress at home as well as abroad. America's role, considered in fair context, was a catalyst for change, for growth, and for betterment.

The Marshall Plan, unprecedented in world history, restored a war-ravaged Europe. Even earlier, U.S. relief and rehabilitation activities during World War II and assistance to Greece and to Turkey after the war had provided precedents and experience in America's overseas assistance.

In the same year that I came to Congress, 1949, President Truman advanced Point 4, an innovative, remarkable concept providing technical assistance to developing nations. It brought new American ideas and technology to people hitherto unable to benefit from advances in health, agriculture, and education.

The Food for Peace Act, designed to use America's agricultural abundance to assist others, was a product of the Eisenhower administration. In the late fifties, we created the Development Loan program to help others help themselves. In 1961, the Congress established the Agency for International Development to consolidate and to administer the various activities and agencies that were carrying out the will of the Congress and the President at that time.

Programs to help people in the developing countries are an expression of America's great compassion, and we should be proud of them. But such aid is also part of the continuing effort to achieve an enduring structure of world peace. It is no longer a question of just the Third World. I am deeply concerned by the problems of the fourth world, the very poorest world where from 400

million to 800 million people suffer from malnutrition, where average per capita income is under \$275 per year, where life expectancy is 20 years less than in the developed countries, where more than 40 percent of the children will never reach the age of five, where more than half of the population has never been to school.

Despite these problems, the economies of the developing countries have grown at an encouraging rate in the past 10 years, thanks in part—I think substantial part—to American assistance. Manufacturing output increased 100 percent, food production by over one-third. Enrollment in elementary schools doubled. Enrollment in secondary schools and colleges quadrupled.

But population growth and increased demand collided with inflation and energy shortages. Gains in many, many instances have been wiped out. At the very time when our policy seeks to build peace with nations of different philosophies, there remains too much violence and too much threat to peace.

The Congress defined the role of foreign aid this way, and I quote from the legislation itself: “The freedom, security, and prosperity of the United States are best sustained in a community of free, secure, and prospering nations. . . . Ignorance, want, and despair breed the extremism and violence which lead to aggression and subversion.”

Those words, written by the Congress, I think are so accurate. If nations are to develop within this definition, they must be able to defend themselves. They must have assurances that America can be counted on to provide the means of security, their own security, as well as the means of sustenance. People with an affirmative vision of the future will not resort to violence. While we pursue a peaceful world in which there is unity in diversity, we must continue to support security against aggression and subversion. To do otherwise, in my judgment, would invite greater violence.

The United States, in this day and age, cannot avoid partnership with nations trying to improve the kind of world the children of today will face tomorrow. Recent events have demonstrated the total interdependence of all people who live on this planet.

The 1973 war in the Middle East showed that war confined to a limited region nevertheless has an economic impact, not only in South Bend but in every corner of the world. Developing and developed countries are all part of a single, interdependent economic system.

This audience, I am told, and this student body includes many students from over 60 foreign countries. And I congratulate you, Father Hesburgh. Let this demonstrate to all Americans that other people place a high valuation on what

America has to offer. Let it demonstrate that the University of Notre Dame rejects what some call the new isolationism.

Let me share with you a specific problem that Father Hesburgh mentioned in his introduction. When the World Food Conference met in Rome in the fall of 1974, I, as the newly chosen President, was faced with a very perplexing problem. Food prices in America were over one-fifth higher than in the previous year. Food reserves, as reported by the Department of Agriculture, were dwindling. The corn crop and other commodities were disappointing in 1974. There were concerns about hunger among our own people.

Against this background, I was presented with several alternative estimates on how much we should spend for Food for Peace for those in other lands.

At the Rome conference, American spokesmen pledged that we would try our utmost to increase our food contribution despite our own crop problems. As crop reports improved, I designated—as was mentioned by Father Hesburgh—a sum even higher than the highest option recommended to me at the time of the conference.

A factor in my own decision was your fine president, Father Hesburgh, and you should be thankful that you have a person who has such broad interests as he, as the president of your university. A factor also in my judgment was that the program provided, and properly so, a reminder of America's moral commitment.

Food for Peace was increased from about \$980 million to \$1.6 billion. This will provide about 5.5 million tons of commodities, up from 3.3 million tons last year. Most of the commodities will be wheat and rice. But also desperately required and also increased are blended foods used in nutritional programs for mothers and for infants.

The United States, fortunately, is no longer the only country aiding others. But we continue to lead—and we will—in providing food assistance. In 20 years of Food for Peace, we shipped over 245 million tons of wheat, rice, and other grains, valued at roughly \$23 billion.

Every American should be proud of that record. It is an illustration of the humane feeling and the generosity of the American people.

While food helps, only by technical assistance can emerging nations meet their needs. It has been often said, but I think it is appropriate at this time, that if a hungry man is given a fish, he can eat for one day. But if he is taught to fish, he can eat every day.

The greatest opportunity lies in expanding production in areas where production will be consumed. The world is farming only about one-half of the

potential croplands, yet there are insufficient farmer incentives in many countries, shortages of fertilizer, high fuel costs, and inadequate storage and distribution systems.

The answers to the world food problem are to be found in interdependence. We can and will help other nations. But simplistic paternalism may do more harm than good. Our help must take the form of helping every nation to help itself. And we will.

I am particularly concerned about the problem of fair distribution. America believes in equality of opportunity. This Nation provides a showcase of change in providing better nutrition, education, health to more and more people, including those who can least afford it. Now, some nations have made excellent use of our assistance to develop their own capacities. Other governments are still struggling with the issue of equality of opportunity and fair distribution of life's necessities.

Good world citizenship requires more than moralizing about the role others should take. It requires each nation to put its own house in order. Good American citizenship requires more than moralizations about what is wrong with the United States. It requires personal involvement and action to bring about change. It requires voting and organizing and challenging and changing with the flexible and dynamic American political process. Our system, by any standard, works and will work better, and you can be a part of it.

The developing nations of the world are increasingly successful in bringing prosperity to larger numbers of their own people. In fact, the assistance we have provided these nations is not just a one-way street. Thirty percent of U.S. exports are purchased by these developing nations, thereby obviously contributing to a better life for their people and jobs for ours.

In cases where countries have the means, let them join in sharing with us as they should. Some have helped. Others have not. We led the way, and we will not shirk from future burdens. But all nations must cooperate in developing the world's resources. We extend the hand of partnership and friendship to make a better world.

Another challenge facing the developing nations, as well as other nations, is to realize the need for peaceful accommodation with neighbors. An interdependent world cannot solve disputes by threat or by force. People now and in the future depend on each other more than they sometimes realize. For example, we in America import between 50 and 100 percent of such essential minerals as cobalt, bauxite, nickel, manganese, and others.

The challenge, as I see it, is for America and all other nations to take respon-

sibility for themselves while building cooperation with each other. The challenge is also the preservation of the freedom and dignity of the human individual throughout the world.

Just as the world's nations can no longer go it alone, neither can the American people. Woodrow Wilson said that "what we should seek to impart in our colleges is not so much learning itself as the spirit of learning." Great universities that pursue truth face the challenge that confronts the entire American people. It is whether we will learn nothing from the past and return to the introversion of the 1930's, to the dangerous notion that our fate is unrelated to the fate of others.

I am convinced that Americans, however tempted to resign from the world, know deep in their heart that it cannot be done. The spirit of learning is too deeply ingrained. We know that wherever the bell tolls for freedom, it tolls for us.

The American people have responded by supplying help to needy nations. Programs, both government and the voluntary agencies, could not have been and cannot be reenacted without popular support. CARE and Catholic Relief Services, pioneers in Food for Peace programs, are feeding over 28 million people around the world right today. Protestant, Jewish, and other groups are similarly involved.

At universities throughout the Nation, researchers seek answers to world problems. Right here in Indiana, at Purdue University, scientists have made discoveries in high protein aspects of sorghum, a basic food of more than 300 million people in Asia and in Africa.

Not only the scientists at Purdue but people throughout America realize that no structure of world peace can endure unless the poverty question is answered. There is no safety for any nation in a hungry, ill-educated, and desperate world.

In a time of recession, inflation, unemployment at home, it is argued that we can no longer afford foreign assistance. In my judgment, there are two basic arguments to the contrary:

First, foreign aid is a part of the price we must pay to achieve the kind of a world in which we want to live. Let's be frank about it. Foreign aid bolsters our diplomatic efforts for peace and for security.

But secondly, and perhaps just as importantly, even with a recession, we remain the world's most affluent country. And the sharing of our resources today is the right, the humane, and the decent thing to do. And we will.

But just as we seek to build bridges to other nations, we must unite at home. This Administration wants better communication with the academic world.

And I express again my appreciation for the warmth of this reception. But this communication must not just be a search for new technology but for the human and spiritual qualities that enrich American life.

In the future, fewer people must produce more. We must, therefore, unleash intellectual capacities to anticipate and solve our problems. The academic world must join in the revival of fundamental American values. Let us build a new sense of pride in being an American.

Yes, you can make America what you want it to be. Think about that for just a moment, if you would. Is it really true? Yes, in my judgment, it is.

But there is a catch to it. You will never see it come true. Perhaps your children or your grandchildren will. What you can do is move America slowly but surely along the right direction.

Admittedly, today's America is far from perfect, but it is much closer to the America that my class of 1935 wanted than it was when I left the University of Michigan.

Today's America is a far better place than it was 40 years ago when the lingering shadows of worldwide depression were being blotted out by the darker clouds of worldwide war. My generation did not wholly save the world, obviously. But we did, to a degree, help to move it along in the right direction.

We learned along the way that we are part of "one world." The author of that phrase was a Hoosier, the first political candidate about whom I got personally involved enough to volunteer as a campaign worker. His name was Wendell Willkie.

Wendell Willkie, of Indiana, was never President, but he was right. He fought for what he believed in against almost impossible odds. In the last Presidential campaign before Pearl Harbor, he believed most deeply—too far ahead of his time, perhaps—that America must be part of one world. He lost the 1940 election, but he helped unite America in support of the truth, which has been our nonpartisan national policy since the Second World War. And I say with emphasis, there has been no *third* world war. On the contrary, the prospects for long-range peace have slowly but surely improved.

Despite setbacks and current international problems, the standards of human life have been lifted almost everywhere. Yet today, we hear another theme: that the tide of history is running against us; that America's example of American leadership is neither needed nor heeded at the present time; that we should take care of ourselves and let the rest of mankind do likewise; that our domestic difficulties dictate a splendid selfishness that runs counter to all of our religious roots, as well as to all recent experience.

We are counseled to withdraw from the world and go it alone. I have heard that song before. I am here to say I am not going to dance to it. Nor do I believe this generation of young Americans will desert their ideals for a better nation and a better world.

You can and you will help to move America along in the right direction. Hopefully, you can do a better job than the class of 1935, but while the classes of 1975 and 1935 are still around, we have much to learn from each other.

We can renew the old American compact of respect for the conviction of others and faith in the decency of others. We can work to banish war and want wherever they exist. We can exalt the spirit of service and love that St. Patrick exemplified in his day.

I am not alarmed when I hear warnings that the tide of history is running against us. I do not believe it for a minute, because I know where the tide of history really is—on this campus and thousands and thousands of others in this great country and wherever young men and women are preparing themselves to serve God and their countries and to build a better world.

You are a part of the tide of this history, and you will make it run strong and true. Of that, I am sure.

Thank you. And top o' the morning to you!

NOTE: The President spoke at 11:15 a.m. at the University of Notre Dame Athletic and Convocation Center. Prior to his remarks, he received an honorary doctor of laws degree.

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The President's News Conference of *March 17, 1975*

THE PRESIDENT. Good afternoon. It has been a great and wonderful day here in South Bend. I thank everybody for it. And I am looking forward to this news conference.

Mr. Jack Colwell [South Bend Tribune].

NOTRE DAME PRESIDENT HESBURGH

[1.] Q. You and Father Hesburgh today had some very kind things to say about one another, and it also gave you an opportunity to speak with him privately. Do you have any plans for any additional appointments or duties for Father Hesburgh in your Administration?

THE PRESIDENT. Father Hesburgh has done a superb job on the Clemency

Board, which is a very time-consuming responsibility. The Clemency Board has had a great upsurge in applicants.

I think Father Hesburgh and the others on the Clemency Board are going to be pretty busy in the months ahead. But let me assure you and others that someone who has as much talent and tremendous civic interest, once that job is over, I think we can use someone like Father Hesburgh in many more responsibilities.

Miss Thomas [Helen Thomas, United Press International].

CAMBODIA

[2.] Q. Mr. President, you have said that the question of personalities is really not vital to a settlement in Cambodia. My question is, is the survival of a non-Communist government in Cambodia vital to the U.S. security in South-east Asia?

THE PRESIDENT. Miss Thomas, I think it is. I cannot help but notice that since the military situation in Cambodia has become very serious, and since the North Vietnamese have apparently launched a very substantial additional military effort against South Vietnam, against the Paris peace accords, there has been, as I understand it, in Thailand, according to the news announcements this morning, a potential request from Thailand that we withdraw our forces from that country.

I noticed in the morning news summary before I left Washington that the President of the Philippines, Mr. Marcos, is reviewing the Philippine relationship with the United States.

I think these potential developments to some extent tend to validate the so-called domino theory, and if we have one country after another, allies of the United States, losing faith in our word, losing faith in our agreements with them, yes, I think the first one to go could vitally affect the national security of the United States.

Q. May I ask you one more question that has been on my mind for a long time? Since you supported the invasion of Cambodia 5 years ago, would you do the same today?

THE PRESIDENT. Well, that is a hypothetical question, Miss Thomas, because under the law I have no such authority to do so. I did support the activities then, the so-called Cambodian incursion, because the North Vietnamese were using that area in Cambodia for many military strikes against U.S. military personnel in South Vietnam. It was a successful military operation. It saved many American lives, because those sanctuaries were destroyed.

Since I do not have the authority to undertake any such military obligation—we have no U.S. military forces in South Vietnam—I think it is a hypothetical question, which really I cannot answer.

FEDERAL FARM ASSISTANCE

[3.] Q. Mr. President, in view of your commitments for Food for Peace programs and your national interest in slowing down increase of food prices, what kinds of farm support legislation would you support?

THE PRESIDENT. I believe the current farm legislation is good legislation. I helped, when I was in the Congress, to obtain its enactment. It has resulted in freeing the Federal Government from trying to run agriculture in the United States. It has resulted in the greatest production of food and fiber in the United States.

It seems to me that this law which was passed several years ago is good legislation. It has supplied our needs. It has made it possible for the United States to contribute very significantly in the Food for Peace effort around the world.

Therefore, I think it is wise, under these circumstances, for us to keep this law and not tinker with it at the present time.

CENTRAL INTELLIGENCE AGENCY

[4.] Q. Mr. President, Clark Clifford said today that he has already been questioned by the Rockefeller Commission about a possible CIA assassination plot. Since you created the Commission, I wonder if you think this is a proper area for the Commission to get into?

THE PRESIDENT. Mr. Cormier [Frank Cormier, Associated Press], let me say at the outset that this Administration does not condone, under any circumstances, any assassination attempts. We in this Administration will not participate under any circumstances in activities of that sort. Now, I have watched with interest and personal attention the stories and some allegations to the effect that assassinations were discussed and potentially undertaken.

I have asked members of my staff to analyze the best way in which this serious problem can be handled. I did discuss it with the Vice President last week. And I expect within the next several days that I will decide the best course of action for the Rockefeller Commission or any executive branch investigation of such allegations.

Q. I gather, sir, then that you think it should be gone into at least semi-publicly?

THE PRESIDENT. It is a serious matter, and I will decide within the next few days the best course of action for the executive branch to take on these allegations.

PROGRAMS FOR THE POOR

[5.] Q. Mr. President, earlier here today a number of young people protested it was inappropriate for you to receive an honorary Notre Dame degree because they considered your lack of sensitivity to the poor and your decision to re-fund the war in Indochina. What would be your response to that?

THE PRESIDENT. I think you will find that the budget that I submitted in January of this year was a very sound budget. It was not an austere budget. It did provide substantially for the poor in many respects. It provided for an expanded Community Development Act of \$1,600 million more for next year than for the current fiscal year. It did provide \$202 million for the Older American Act, which is a substantial increase in this area over the last several years.

We have proposed, and we will support, a responsible program to help the poor in this country. And I think the budget that I submitted in January does just that.

FOREIGN ASSISTANCE

[6.] Q. Mr. President, in your speech here at Notre Dame earlier today, you made a strong pitch for continued foreign aid despite the recession. And I was surprised that you failed to mention your proposal for more military aid to Cambodia and South Vietnam. Now, I know military aid to Southeast Asia has been unpopular on many college campuses, and I wonder if your failure to mention that was because you feared you might be booed or there might be a walk-out by students if you professed your policy on that issue?

THE PRESIDENT. The speech that I made this morning on the Notre Dame campus was aimed at the broad concept that the United States must participate in world affairs, that this was one world in which we all live. I pointed out I had always supported, as a Member of Congress, the mutual security and the foreign aid programs, both economic, point 4, Food for Peace, as well as the military assistance program.

It seemed to me that we needed a restatement of the basic reason why foreign aid is important, that we live in an interdependent world and that the United States has to make its full contribution in that regard.

The details can be discussed, the details can be argued, but we needed a restatement, a strong restatement of the broad, general reasons why this country has to be a part of the one world concept, working with our allies, trying to

eliminate difficulties between ourselves and our adversaries. And it seemed to me if that could be restated, we could work out the details within that concept and not rekindle the differences and difficulties that existed while U.S. troops were stationed and fighting in South Vietnam.

Q. Let me follow that up. If you had made a strong plea today for military aid for Cambodia and South Vietnam, do you think it would have been well received by the student audience?

THE PRESIDENT. Since I did not consider that as a part of my remarks, I really did not consider the hypothetical question you are asking me.

ILLINOIS REPUBLICAN PARTY

[7.] Q. Mr. President, the Republican candidate for mayor of Chicago, Mr. John Hoellen, has stated over the weekend that he was either snubbed or given very short shrift by you at the White House. The Cook County Republican committee is in a state of chaos, and the Republican committee in Illinois is not much better off. What are you going to do for Mr. Hoellen, and what are you going to do for the Republican Party in Illinois in order to win it in 1976?

THE PRESIDENT. I seldom interject myself into local partisan elections. I do believe, however, that the President ought to be as helpful as he can in a state-wide, partisan way at the proper time.

I do believe that the State organization in Illinois is rebuilding and getting ready for the State and national elections in 1976. I consult with Senator Percy. I consult with the Illinois Republican delegation. And I think in that way I can be a participant in making the Republican Party in Illinois a viable political party in the very important elections of 1976.

Q. Are you going to have Donald Rumsfeld to assess the situation? It has been reported that you would.

THE PRESIDENT. Don Rumsfeld made a speech in Illinois Friday night, and I have not had an opportunity to discuss with him his observations based on that speech, but I do intend to, probably tomorrow or the next day. I have a great deal of faith in Don's understanding of the problems in Illinois and a great deal of faith in his judgment as to how I and we can help in that regard.

U.S. MONEY SUPPLY

[8.] Q. Mr. President, at a time when you say you are trying to end the recession, the money supply in the United States has not increased hardly at all. In the last 6 months of 1974, the money supply grew by less than 1 percent, and in November, December, and January it actually showed a decrease, one of

the very few times it has in modern times. Are you personally satisfied, from the standpoint of ending the recession, with the speed or with the rate of growth in the money supply in this country?

THE PRESIDENT. I met with Arthur Burns, the head of the Federal Reserve, last week. He, of course, is the head of a very autonomous part of our Federal Government, but I do meet with him frequently to get the benefit of his views on our economic circumstances.

I did ask what was the situation, because there had been criticism such as you have indicated. It was pointed out to me by him—and there were a number of charts that were shown which show the facts to be contrary to the facts that you have stated—that M_1 , M_2 , M_3 , M_4 , M_5 , M_6 , and M_7 —all of them show an increase, and I am one who has great faith in Dr. Burns.

We are showing an increase in the money supply. There will be an adequate money supply available for the current economic circumstances we face, and there will be an adequate money supply to meet the problems we have down the road.

INTEREST RATES

[9.] Q. Mr. President, I don't know what Dr. Burns' charts showed you about long-term interest rates which, as you know, are the principal factor in capital formation, but I want to ask you this: A lot of people, a lot of economists, are worried that Dr. Burns and Mr. Greenspan, and so forth, are going to take this thing down just as far as they can and wring the last bit of inflation out of it that they can and then try to turn it around. Are you satisfied—or what confidence do you have that we won't go so far with this thing that we can't turn it around?

THE PRESIDENT. Well, of course, we have made substantial progress in trying to win the battle against inflation.

Last October, the rate of inflation was something like 13 percent. The last figures released about 3 weeks ago showed it was down to 7.2 percent on an annualized basis.

Now, in the charts that I also looked at—it showed that short-term interest rates had gone from something like 13 percent down to about 6 percent, and it showed that the trend on long-term interest rates was also a favorable one, going more slowly down than the short-term interest rates. But the trend is encouraging, and if we act responsibly and don't have a larger deficit than I have proposed in the Federal Government, so that the Federal Government does not go in and sop up all of the money that is needed, we can keep the trend in long-term interest rates going down.

UNEMPLOYMENT

[10.] Q. Mr. President, many of the steelworkers and autoworkers in your State and in Indiana are still out of work. What can you say to them by the way of encouragement? How far do they have to wait?

THE PRESIDENT. Well, the biggest stimulant we could get to the economy right now, which means more jobs for autoworkers and steelworkers, is to get the Congress of the United States to move quickly to enact a substantial tax reduction at the Federal level.

In January—I believe on January 15 in the State of the Union Message—I urged a \$16½ billion tax reduction bill as quickly as possible. It is now 2 months and 2 days, and the Congress has not completed action on that tax reduction bill. I hope that before Congress goes on its Easter recess, it will enact a tax reduction bill like the one I proposed or one that is reasonably acceptable.

If we could get a tax reduction bill out of the Congress promptly, that would be the best hope to stimulate the economy and to provide jobs for the autoworkers and steelworkers, who are at the present time—particularly the autoworkers—in desperate straits.

VICE PRESIDENT ROCKEFELLER

[11.] Q. Mr. President, you have hinted about it before but so far you have stopped short of saying flatly that Vice President Rockefeller will be your running mate in 1976. My question, sir, is: Will he be?

THE PRESIDENT. I did not think that I had ever equivocated on that, and if the interpretation is that I have, then I want to straighten it out right now.

Nelson Rockefeller has been an exceptionally active and able Vice President. I said when I nominated him I wanted him to be a partner. He has been, in the responsibilities on the Rockefeller Commission, in his responsibilities in the Domestic Council.

I think he deserves great praise. And I see no reason whatsoever that that team should not be together in the campaign in 1976.

CENTRAL INTELLIGENCE AGENCY

[12.] Q. Mr. President, in regard to the Rockefeller Commission's investigation into the CIA, would you, at any time, consider changing their mandate to include an investigation of possible domestic activities by the CIA in regard to assassination attempts?

THE PRESIDENT. Let me reiterate, as a preface, I will not condone—in fact, I condemn—any CIA involvement in any assassination planning or action.

Now, I did indicate, in answer to a previous question, that I am personally analyzing, looking at all of the more recent charges of any assassination attempts by the CIA or actual assassinations from its inception to the present.

I am personally analyzing all of these charges. I have asked my staff to bring all of the material that is available to me personally. I have talked to Vice President Rockefeller about it. And I will determine within the next few days the best course of action to make sure that the matter is handled in the most appropriate way.

CAMBODIA

[13.] Q. Mr. President, the State Department announced today that it had found some over \$20 billion (million) in 1974 funds that had been voted for aid to Cambodia and had not been sent, and that it was making that money available now. Is this an artifice to get around Congressional appropriations? And are there other sources of such funds that could be found?

THE PRESIDENT. I was informed last Friday of what appears to be very sloppy bookkeeping in the Department of Defense, and I condemn it, if it is, and I will not condone it in the future.

I was surprised by these revelations. I don't think it was anything malicious. I don't think it was any purposeful action. But if the money is available and was appropriated by the Congress for the purposes set forth, it will be used according to the law.

Q. Have similar investigations of past Vietnam appropriations been made?

THE PRESIDENT. The Inspector General, as I understand it, found out the \$21 million in Cambodian military aid that was revealed last week to me and publicly announced today. The Inspector General has a continuing responsibility to find out any and all circumstances, such as the one that we are discussing.

ACADEMIC COMMUNITY

[14.] Q. Mr. President, as Father Hesburgh put it in his speech today, you are the first President to set foot on a first-rate campus in about 10 years. In that context, in light of the fact that President Nixon fired Father Hesburgh from the Civil Rights Commission, I wonder if you would elaborate on your feelings about restoring better relations with the academic world and the task ahead of you in that respect.

THE PRESIDENT. One of the first actions that I took, one of the first trips that I undertook, was to go to the campus of Ohio State University. I might say parenthetically, for a Michigan graduate to go to Ohio State is doing double duty.

But I was well received there, and I had a fine opportunity to present a new concept that we have for higher education. This is another opportunity on the Notre Dame campus to continue that dialog that I hope will not only expand but grow by leaps and bounds between the academic community and the Federal Government.

There is no reason why we should not work together. There are a great many reasons why we should use the talent, the ability, the personnel that does exist on the campuses all over the United States, and I certainly intend to do so in the months ahead.

Q. The second part of the question: How much of a job is there ahead of you to restore better relations?

THE PRESIDENT. Based on the very warm welcome I received at Notre Dame today, I think we are on a good footing, and I certainly will bend over backwards to continue it and to expand it.

I think the dialog is excellent. About a week or 10 days ago I met with 10 or 15 top college and university presidents. That was another step in this better rapport between the academic community and this Administration. I can assure you we intend to do everything possible to make sure that it works.

CENTRAL INTELLIGENCE AGENCY

[15.] Q. Mr. President, will you be giving Congress all the material that is asked for as part of its investigation of intelligence activities?

THE PRESIDENT. The Senate committee has asked for a considerable amount of material. That request is currently being analyzed by the top members of my staff. I will make a judgment on that as soon as we have had an opportunity to review all of the very substantial number of requests.

I can assure you and others that we will do all we can to indicate maximum cooperation, but until we have had an opportunity to review this request in detail, I am not in a position to give you a categorical answer.

Q. Am I to understand that this executive branch investigation that you raised the possibility of, outside the Rockefeller Commission, would possibly make it necessary or advisable for you to delay giving Congress the material it has asked for?

THE PRESIDENT. I don't think there is any necessary conflict between the Rockefeller Commission and the one or more Congressional committees. The Rockefeller Commission has been in operation now for a month or two, so they are underway.

They had planned to finish their work within the next months, as I recollect.

They may have to go beyond that, depending on certain circumstances, but we intend to make as full a disclosure as is possible without jeopardizing America's national security.

REVENUE SHARING

[16.] Q. Mr. President, tonight you are meeting with several Midwestern Governors. In light of some sagging revenues at State and local levels and your own budget tightening, what can you tell them about your long-range plans for return of the Federal dollar both to State and municipalities—revenue sharing and this type of thing?

THE PRESIDENT. In my State of the Union Message and in the Budget Message, I indicated that I was recommending an extension of the general revenue sharing program with the annual add-on that takes care of the inflation impact as far as the State and local units of government are concerned. So, I am on record now urging the Congress to extend the existing general revenue sharing program.

Q. Have the dollar amounts that you have been able to expend been affected by the current events?

THE PRESIDENT. It is my best recollection that the amount we recommended for the first year of the extended program is close to \$7 billion a year, which is a substantial increase over the amount that was used in the first year of the present program.

It is a very, I think, generous proposal. It does crank in the inflation factor. And if the Congress goes along, I think it will be materially beneficial to the States and local units of government.

GASOLINE TAX

[17.] Q. Mr. President, we have not asked you about the gasoline tax lately. This afternoon or this morning, on Air Force One, what Mr. Zarb said led me to believe there may be a softening of the Administration's attitude. Are you still willing to stand by your earlier statement that you will veto any gasoline tax?

THE PRESIDENT. Well, I could not help but notice over the weekend 102 Democrats joined in a statement in the House of Representatives condemning a gasoline tax.

I think a gasoline tax of the magnitude that several have proposed is not the right approach, and I do not think the Congress will approve it. I think the energy crisis—the energy program can be best implemented by the proposal I submitted in January. And I hope that in the negotiations between Mr. Zarb

and myself with the Members of Congress on the respective committees—will result in an approach that is comparable to mine, because I think the Congress will pass that.

I have very grave doubts that the Congress would pass a gasoline tax. And certainly my feeling in that regard was reaffirmed by 102 Democrats putting their name on the line saying they would not vote for one. And I think there is a better way to do it, and we are going to work with the chairman of the Committee on Ways and Means, hoping to find an answer that is more like the approach that I have recommended.

Q. To follow that up, you did say a gasoline tax of the magnitude that is being proposed by some. I seem to note a shift in your position there. Now, Mr. Ullman has come down from 40 cents to possibly 25 cents. If he were to come down a little further, would you be willing to talk about maybe a 20 cent tax?

THE PRESIDENT. I read a news report a few minutes ago which said that the bill that he had introduced included a gas tax up to 37 cents over a 3- or 4-year span. I don't think that is the right approach, and I don't think it is feasible in trying to get the Congress to act. Therefore, I go back to a program that we proposed which I think will be the answer, which I think the Congress eventually will buy substantially.

I am very happy that we are negotiating. We are trying to find an answer with Mr. Ullman, the chairman of the Committee on Ways and Means, and I am encouraged by what I understand is the progress that is being made.

MR. CORMIER. Thank you, Mr. President.

THE PRESIDENT. Thank you, Mr. Cormier. Thank you all very much.

NOTE: President Ford's eleventh news conference began at 6:03 p.m. in the auditorium at the Center for Continuing Education at the University of Notre Dame, South Bend, Ind.

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Message to the Congress Transmitting Reports on the Military Incentive Awards Program. *March 18, 1975*

To the Congress of the United States:

Forwarded herewith in accordance with the provisions of 10 U.S.C. 1124 are reports of the Secretary of Defense and the Secretary of Transportation on awards made during Fiscal Year 1974 to members of the Armed Forces for suggestions, inventions and scientific achievements.

Participation by military personnel in the cash awards program was authorized by the Congress in 1965. More than 1.6 million suggestions submitted since that time attest to the success which the program has had as a means of motivating military men and women to seek ways of reducing costs and improving efficiency. Of those suggestions submitted, more than 255,000 have been adopted with resultant tangible first year benefits in excess of \$799,000,000.

Of the nearly 146,009 suggestions which were submitted by military personnel during Fiscal Year 1974, 19,810 were adopted. Cash awards totaling \$1,358,818 were paid for these adopted suggestions, based not only on the tangible first-year benefits of \$71,461,841 which were realized therefrom, but also on many additional benefits and improvements of an intangible nature. Enlisted personnel received \$1,103,693 in awards which represent 82 percent of the total cash awards paid. The remaining 18 percent was received by officer personnel and amounted to \$255,125.

Attached are reports of the Secretary of Defense and the Secretary of Transportation containing statistical information on the military awards program and brief descriptions of some of the more noteworthy contributions during Fiscal Year 1974.

GERALD R. FORD

The White House,
March 18, 1975.

NOTE: The five-page report of the Secretary of Defense and the three-page report of the Secretary of Transportation cover the period July 1, 1973-June 30, 1974.

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Remarks at the Swearing In of John T. Dunlop as Secretary of Labor. *March 18, 1975*

John, Mr. Vice President, Members of the Congress, members of the Administration, distinguished guests, ladies and gentlemen:

Perhaps this is telling tales out of school, but I understand that a few months ago, when John Dunlop tried to attend the dedication of the new Department of Labor headquarters, he could not get in because he did not have a ticket. Today, John, it gives me a great deal of pleasure to present you with that ticket.
[Laughter]

I am very, very pleased to welcome the new Secretary of Labor, who is so

uniquely skilled in obtaining practical solutions to the most complex of problems.

The issue of jobs for Americans is the number one problem on our agenda. I will rely on John for sound, practical programs that will bring jobs and assistance the very quickest to those who need the help the most.

His career, as many of you know, is distinguished by the ability to innovate and generate cooperation, to solve disputes, and to break through the most difficult of situations.

John, we need you in the Department of Labor. We need the genius that made you the head of the economics department at Harvard University. We need you to obtain voluntary restraint without guidelines.

John brings, as many of you know, to Washington a career of experience in achieving practical solutions to problems that have frustrated many others. I can think of no one better able to meet today's broad challenges than John Dunlop.

I knew this before he told the United States Senate that what we need most is a tax cut. The Labor-Management Committee he chairs told us that even before I asked for a tax cut in my State of the Union Message in January.

John has worked at the top level in labor-management negotiations in every administration since the days of President Franklin D. Roosevelt. He has helped—with deep, human sympathy and understanding—to bring people together and to solve the most critical disputes.

His efforts have assisted the wages, the working conditions, and the collective bargaining relationships of countless of Americans, especially in the critical construction industry.

John is not only a man of academic wisdom but a man of action. I am told that he has told colleagues that “When I want to discuss theories, I stay at Harvard. When I want to do things, I go to Washington.”

I am told John has come to Washington, he estimates, 1,600 times since 1938. Welcome to 1600 Pennsylvania Avenue, on your 1,601st visit to the National Capital. There are plenty of things to do here, John.

Judge Fahy, will you now administer the oath to the Secretary, please.

NOTE: The President spoke at 2:12 p.m. in the East Room at the White House. Judge Charles Fahy of the United States Court of Appeals for the District of Columbia Circuit administered the oath of office.

Secretary Dunlop's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 282).

141

**Letter Accepting the Resignation of John H. Powell, Jr.,
Chairman and Commissioner of the Equal Employment
Opportunity Commission. *March 19, 1975***

Dear John:

I have your letter dated March 18, and as you request, I accept your resignation as Chairman of the Equal Employment Opportunity Commission, effective today, and your resignation as a Commissioner, effective April 30, 1975. I appreciate your willingness to stay on as a member of the Commission during the next month to assist in the orderly transfer of authority to the Acting Chairman and to provide a period of time in which a well-qualified nominee to replace you can be selected.

I want to take this opportunity to express my personal appreciation for your dedicated service to our Nation. Under your Chairmanship, the Commission has broken new ground, expanding the economic and social horizons of all our citizens. I know that this has been a particularly challenging time for the Commission, but your devotion to the goals of the Commission and to the present and future well-being of every American has not faltered. You have earned their thanks as well as my own.

As you depart the Equal Employment Opportunity Commission, I want you to know that you take with you my very best wishes for every future happiness and success.

Sincerely,

GERALD R. FORD

[The Honorable John H. Powell, Jr., Chairman, Equal Employment Opportunity Commission, 1800 G Street, N.W., Washington, D.C. 20506]

NOTE: Mr. Powell's letter of resignation read as follows:

Dear Mr. President:

During the fifteen months that I have served as Chairman of this agency, it has been my privilege to participate in the ongoing effort to achieve equal employment opportunity for all Americans.

During this time substantial progress has been made in moving this Commission toward the efficiency, effectiveness and fairness that I know you want it to achieve. Unfortunately, this agency's problems have for too long been ignored. Despite this, recent commentary has focused upon superficialities. The underlying problems were addressed quite eloquently in a letter dated March 5, 1975,

written by Clarence Mitchell to the *Washington Post*.

My interest in the problems falling within EEOC's mandate began long before December 28, 1973, the date upon which the commission designating me as Chairman was executed. During the 1960's, for example, I served as Special Counsel to the Southern Christian Leadership Conference and in 1963 I was one of many lobbying here in Washington for what eventually became the first comprehensive Civil Rights Act enacted during the Twentieth Century (the 1964 Civil Rights Act, as amended) of which Title VII is an integral part.

My colleagues on this Commission and the EEOC staff, many of whom have given outstanding sup-

port, are justifiably proud of the many historic initiatives achieved during my Administration. These include the first industry-wide settlement obtained under Title VII.

As a result of these initiatives, there is a growing minority of thoughtful commentators who believe that EEOC has begun to show signs of becoming the effective law enforcement vehicle envisioned by Congress when Title VII was amended just a little less than three years ago.

Regrettably, this agency and particularly its present Chairman have become a focal point of controversy: controversy over the authority of this Office, controversy over whether progress such as that above-mentioned is, in fact, being made and controversy as to whether, in view of the continuing intense criticism, the public interest would be served by my continuing as the administrative head of this agency.

I recognize that the responsibility of this Office entails creating an atmosphere in which effective enforcement of Title VII can be achieved—a task involving striking a delicate balance between forcefulness and evenhandedness. I would like to continue to devote, in whatever way possible, my energies in the effort to strike that balance in an optimal fashion. I have, therefore, reluctantly decided to, and hereby tender my resignation as the Chairman of this Commission at your pleasure. In addition, I also hereby tender my resignation as a Member of this Commission, effective April 30, 1975.

I do this not because I agree with the intense criticism leveled against this Office and this agency. Rather, my resignation as Chairman is offered in the hope that the current controversy will cease. Attention must now be focused on the important job that remains before all of us.

As indicated above, I will in the few weeks remaining assist in providing the new head of this agency with whatever guidance I can to aid in giving this Commission the continuity of leadership it deserves. Moreover, you have my assurance that, as a Commissioner, I will continue to serve you, the Congress and the people to the best of my ability. You also have my commitment that the new Chairman will have my unqualified support in his or her effort to maintain the present momentum towards effective enforcement of Title VII.

Finally, Mr. President, I wish to again thank you for your many courtesies and for the generous support extended by you over the last several months. It has indeed been a privilege to serve in your Administration. In this regard I am pleased that you share my concern that the efforts of this and other agencies at the Federal, state and local level, will soon give rise to employment systems compatible with Title VII's mandate—that there be equal employment opportunity for all Americans.

Respectfully,

JOHN H. POWELL, JR.
Chairman

[Honorable Gerald R. Ford, President, The White House, Washington, D.C. 20500]

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Letter Accepting the Resignation of William A. Carey, General Counsel of the Equal Employment Opportunity Commission. *March 19, 1975*

Dear Mr. Carey:

It is with sincere gratitude for your devoted service to our Nation that I accept your resignation as General Counsel of the Equal Employment Opportunity Commission, effective on this date, as you requested.

For nearly three years, you have directed the office of the General Counsel with energy, skill and a strong sense of purpose. Under your leadership, landmark decisions have been reached which have broadened the economic opportunities of all Americans and have effectively enlisted the positive assistance of employers in identifying and correcting discriminatory employment systems.

Your personal contributions in this regard have been significant, and you have my heartfelt gratitude.

Now as you depart, I hope you will always look back with a special sense of satisfaction on your years with the Equal Employment Opportunity Commission. You have established a record of accomplishment in which you can take pride, and you leave with my best wishes for every success and happiness in the years ahead.

Sincerely,

GERALD R. FORD

[The Honorable William A. Carey, General Counsel, Equal Employment Opportunity Commission, 1800 G Street, N.W., Washington, D.C. 20506]

NOTE: Mr. Carey's letter of resignation, dated March 17, 1975, read as follows:

My dear Mr. President:

I hereby offer my resignation as General Counsel of the Equal Employment Opportunity Commission effective upon delivery of this letter to you.

It has been a privilege for me to serve in this capacity and to develop the legal staff of the Commission to its present size and to its present outstanding capabilities. At this time I have completed the responsibilities for recruiting a much enlarged staff of lawyers and establishing the policies and procedures to carry out the enforcement powers of the Commission on a broad scale.

The reason I am resigning now, and without delay, is to encourage immediate steps on the part of the Administration which will strengthen the composition of the Commission and increase the effectiveness of its work.

I wish to express my faith in the future of the Equal Employment Opportunity Commission because of your strong desire to advance the purposes for which it was created.

Sincerely,

WILLIAM A. CAREY
General Counsel

[The Honorable Gerald R. Ford, The White House, Washington, D.C. 20500]

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Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation To Place a Ceiling on Federal Pay and Benefits Increases. *March 19, 1975*

I AM transmitting herewith a set of legislative proposals which would place a temporary 5 percent ceiling on pay increases for Federal employees and in benefit payments to individuals that are connected by law to consumer prices.

These proposals are an integral part of the economic, fiscal, and energy program that I outlined to the Congress in my State of the Union Address on January 15, 1975. As we move forward with tax reductions to revitalize the economy, with energy conservation and self-reliance measures, and with substantially expanded aid to the unemployed, it is essential that we restrain the overall growth of Federal expenditures. In the interest of the long-run as well

as near-term health of the economy, we simply must curb the rate of increase in the budget that has occurred in recent years.

My 1976 budget recommendations include no new spending initiatives, except for energy. In addition, they reflect proposals that would reduce outlays by \$17 billion, including \$6.1 billion in savings that would result from enactment of the enclosed draft bills. A table is attached providing a breakdown of this figure and the programs involved. Without the economy measures I am recommending, increases in Federal spending would be sharper in the short run and would continue unchecked in future years. The budget deficit for the coming fiscal year would also be greatly increased.

In proposing a 5 percent ceiling on Federal pay raises this year, I am asking that the Federal Government set an example for the Nation. Federal workers generally enjoy greater job security than other workers. I believe that most Federal employees will understand that some restraint on their pay raises is appropriate in light of the need to provide benefits and create more jobs for the unemployed.

I urge the private sector—labor and management alike—to follow this example and minimize wage and price increases.

The proposals place a similar temporary limit of 5 percent on the automatic increases in benefit programs linked to consumer prices. These proposals bear in mind the large increases that have occurred in these programs in recent years—increases which have exceeded the rate of inflation. Total benefit payments under the programs involved—primarily Federal civilian and military retirement, social security, railroad retirement, supplemental security income, and the food stamp and child nutrition programs—have risen more than the cost of living. For example, average per capita payments for persons receiving social security benefits have increased by 22 percent in real terms since 1970—that is, after adjusting for increases in consumer prices.

The enclosed proposals would not eliminate or reduce any benefit payments from their present levels, but would merely slow down, through June 30, 1976, the rate at which these payments would be rising. Their enactment would help us begin to gain some control over the longer-run growth in the Federal budget. This is because, in general, the lowered levels of benefit increases that would be in effect through fiscal year 1976 would not be made up subsequently.

I recognize that I am asking the Congress to make some difficult decisions in acting on these proposals. But that is what I must do. During this time when thousands of workers are being laid off and we are still experiencing considerable inflationary pressure, I believe the modest restraint that I am proposing on

pay raises and increases in benefit programs makes sense for the future and is urgently needed in the present.

At the request of the District of Columbia Government, District Government employees are included in the attached draft legislation, where applicable.

I hope the Congress will consider these proposals and act on them promptly and favorably.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House

of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

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Special Message to the Congress Proposing Reform of Financial Institutions Regulations. *March 19, 1975*

To the Congress of the United States:

I announced a number of initiatives last October to speed the Nation's return to economic health. Part of that important effort is a careful review of Government regulations. Some of these are outdated and have outlived their usefulness. They now impose a greater cost on the American consumer than they provide in benefits. A key element of my program of reform concerns our financial institutions.

The United States depends on a unique system of private financial institutions and markets to serve its citizens and promote sound economic growth. Compared to other Nations, we have a large number of different financial institutions—such as commercial banks, savings and loan associations, mutual savings banks, and credit unions. Through the years, our Government has tended through regulation and legislation to restrict the activities of each class to specialized functions.

However, the regulation of our financial institutions has not been fully responsive to either the changing needs of our economy or to the changes in the scope and function of our financial institutions. During the past nine years, the cyclical movement of interest rates has imposed major strains on the institutions that serve savers and finance housing. Initial attempts to deal with this problem took the form of interest rate ceilings on the rates that financial institutions could pay to their depositors. The experience of the past several years shows that such ceilings penalize the small saver, and reduce the volume of

savings available to finance homebuilding. Nor have the efforts by Government to provide subsidies to support more housing construction succeeded very well. In fact, these programs requiring the Government to borrow in the capital markets have contributed to the problem by adding to upward pressure on interest rates.

At the peak of our financial crisis last summer, home mortgages were virtually unavailable in many parts of the country. And small savers were being heavily penalized because Government rules limited the interest rates they carried on their savings deposits to far less than the rates carried by wealthier individuals with deposits of \$100,000 or more. At the same time the availability of much higher rates of interest on their investments outside of the savings institutions caused individuals to shift their funds out of mortgage-lending institutions. As a result, savers, mortgage borrowers, and the housing industry have all been penalized by these obsolete regulations.

Five years ago, a Presidential commission undertook the study of the problems experienced by financial institutions. In 1973, the conclusions of this study led to the introduction of the Financial Institutions Act. The Act encourages greater competition and responsiveness to the changing needs of depositors and borrowers. Last year, I endorsed that legislation and urged that the Congress give it priority. Extensive hearings were held in the Senate. Representatives of financial institutions and the concerned public have expressed their views.

Today, I am resubmitting the Financial Institutions Act, with the assurance that the many months of debate and consideration have brought all of us nearer to basic agreement on this important reform.

This bill contains certain notable changes from the legislation put before you in 1973. But the overall objectives remain the same—providing new opportunities for *savers* to earn a competitive return on their investment, and providing *homebuyers* with greater assurance that the flow of funds for home mortgages will not be dramatically disrupted during periods of high interest rates. To achieve these objectives, the bill permits institutions engaged in serving small depositors more flexibility both in obtaining and investing funds. It will permit the payment of higher interest rates to small savers, and it will also offer a new tax incentive to most financial institutions to make residential mortgage loans.

New safeguards will require banks to conform to basic standards of Truth-in-Savings to insure that competition between institutions is fairly and accurately advertised. Nor will there be any decrease in the Government's regulation of accounting or security measures. Increased competition between financial insti-

tutions will not be allowed to obscure the need for prudent management necessary to safeguard depositors.

If the Congress will enact this bill into law, our financial institutions will benefit from the ability to offer new services and enter new markets; and their customers, both depositors and borrowers, will share these benefits.

Savings and loan associations and mutual savings banks will be permitted to offer checking and negotiable orders of withdrawal (N.O.W.) accounts to individuals and businesses, while diversifying a portion of their investments into consumer loans, unsecured construction loans, commercial paper, and certain high-grade private debt securities.

Commercial banks will be permitted to offer corporate savings accounts and N.O.W. accounts. Credit unions will be permitted to offer mortgage loans to members, make a wider range of loans at more varied interest rates, and to set up an emergency loan fund on which to fall back.

To improve the availability of mortgage credit, commercial banks, savings and loan associations, mutual savings banks, and other taxable financial institutions will be granted a new tax incentive to enlarge their volume of mortgage loans. Finally, the act provides for the gradual elimination of interest rate ceilings on all types of savings over a five-and-one-half-year period.

This legislation differs in two principal ways from the bill previously submitted to the Congress:

First, the abolition of interest rate ceilings on deposits will still occur five-and-one-half years after the passage of the act. However, prior to the removal of ceilings, the Administration will conduct an intensive investigation to examine the economic and financial picture at that time. The President and the Congress will then have the opportunity, if appropriate, to make any final improvements in the direction of the legislation.

Second, the mortgage tax credit is included in the act as before, but savings and loan associations and mutual savings banks will be given a one-time option until 1979 to decide when to substitute this tax measure for their current bad debt loss deduction. By 1979, all savings institutions will be required to shift to the mortgage interest tax credit.

While the amended bill contains modifications designed to emphasize the areas of agreement produced during the hearings and recent discussions between Administration officials and the public, the basic objectives are to increase the level and quality of service for the consumer saver, and to maintain or expand the flow of credit to the housing sector.

I urge the Congress to give these proposals prompt and favorable consideration.

GERALD R. FORD

The White House,
March 19, 1975.

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**Toasts of the President and Prime Minister Dzemal Bijedic
of Yugoslavia. *March 19, 1975***

Mr. Prime Minister, distinguished guests:

It is a pleasure to welcome you to Washington and to this historic house. I understand that in your birthplace of Mostar in Yugoslavia, there is a famous stone bridge which has been standing for a very long time. I hope, Mr. Prime Minister, the relationship between Yugoslavia and the United States will be as long as the history of that famous bridge.

The foundation, Mr. Prime Minister, as you well know, is the cooperative relationship between the United States and the People's Republic of Yugoslavia. It was built more than a quarter of a century ago. As a matter of fact, I was in the Congress of the United States at the time that this new relationship began and developed and is now flourishing.

This relationship, Mr. Prime Minister, is anchored, as I see it, in a strong mutual interest in Yugoslavia's independence, its integrity, and its unity, as well as a mutual desire, Mr. Prime Minister, to maintain peace in Europe as well as in the rest of the world. I think it symbolizes the cooperation between two countries with entirely different social and political systems.

Like the bridge in Mostar, Mr. Prime Minister, the one between our nations and our peoples has withstood the test of time. It has facilitated an impressive growth in trade, in business, in scientific and cultural cooperation, as well as tourism.

While the currents sometimes passing, Mr. Prime Minister, beneath this bridge have ebbed and flowed, its basic structure has remained intact. The principles upon which it rests remain as sound today as two decades ago.

I look forward, Mr. Prime Minister, to the further strengthening of American-Yugoslav cooperation, and I know we are both aware that this will require a continuing commitment from both governments.

Bearing in mind our common interest in continued peace and security in the world, I think we must strive to eliminate misunderstandings and any narrow differences which sometimes, unfortunately, arise between us.

The history of this relationship indicates that we have made an excellent start. I am sure—it is my conviction that it will be successful in the future.

I raise my glass to your health, Mr. Prime Minister, and to the bridge between our two countries. May it continue to facilitate cooperation, understanding, and friendship between our two peoples.

NOTE: The President spoke at 2:12 p.m. in the State Dining Room at the White House.

Prime Minister Bijedic spoke in Serbo-Croatian. His remarks were translated by an interpreter as follows:

Mr. President, gentlemen:

Allow me to thank you for the words of welcome and friendship addressed to me and my associates. Our visit to the United States of America constitutes a further expression of mutual desire for the promotion of friendship and cooperation between our two countries, a friendship established upon long-standing tradition and alliance during two world wars.

Our visit to your country is taking place at the moment when you have started preparations for the Bicentennial of the United States, the anniversary of the day on which, as the result of the struggle of American people against colonialism and foreign domination, the Declaration of Independence was adopted.

Many years later, my country, too, went through the liberation, war, and revolution. I accentuate this because both of our peoples aspired toward the same objective—to live in freedom and independence, to freely determine their destiny and vigilantly guard it.

I shall call forth, Mr. President, another date in the history of the relations between our two countries. That is the year 1881, the year in which the first interstate agreement was concluded—the trade agreement between the United States of America and Serbia signed at Belgrade in October 1881, which is still in force.

Rare are today bilateral agreements which have stood a test of time. Our two countries have experienced together the most severe historic tests of this century, fighting as allies against the joint enemies.

Over the whole period following the Second World War, they have continually voiced their determination to promote all-round equitable cooperation and mutual relations, for their own benefit and in the broader interest.

Particularly important for the development of re-

lations between Yugoslavia and the United States was the exchange of visits between the two Presidents in 1970 and 1971 and the visit of Secretary of State Dr. Kissinger to Belgrade a few months ago.

We are highly appreciative, Mr. President, of the message you have addressed to President Tito and in which you have clearly set forth the desire of the United States to continue the policy of good relations with Yugoslavia.

Likewise, we highly appreciate your acceptance of the invitation extended by President Tito to visit Yugoslavia in the course of this year.

We are confident that this confirms once again the preparedness of your Government and your own, Mr. President, for the continuation and promotion of mutual, friendly relations. We will welcome you in Yugoslavia as a dear guest.

I share, Mr. President, your view and that of your Government that relations between the United States and Yugoslavia have been developing successfully, regardless of the differences of stances and views in respect to some international issues.

It is our sincere desire that these differences, wherever it is possible, be reduced through mutual efforts, more frequent contacts, mutual understanding and respect for the positions of the other side.

Yugoslavia, as an independent, socialist, and nonaligned country, has a constant interest in developing relations with the United States, based on principles of the respect for sovereignty, equality, and noninterference; that is, the principles that are outlined in the joint statement of the Presidents of Yugoslavia and the United States, signed at Washington in 1971.

Yugoslavia is particularly concerned that the solutions for the existing hotbeds of military conflicts, which at any moment may become sources of new and even more difficult large-scale international crises, be sought through negotiation and full respect for the Charter and resolutions of the United Nations, as well as through agreements reached between the parties concerned.

Mr. President, in expressing my thanks for the invitation extended to me to visit your beautiful

country, the country of the people whose working energies and technological advances are admired throughout the world, I wish to emphasize our great satisfaction that we are coming here at a time when, in the relations between our two countries in many fields—particularly the economic, scientific, and cultural fields—a significant upward trend has been registered.

The trade between the two countries—and I mention this as an example—has increased by almost 60 percent in the course of 1 year. Significant banking and credit arrangements have been concluded. Joint ventures and the volume of industrial cooperation have been stepped up.

The same applies to the scientific and technological cooperation, the cooperation among universities, and the cultural exchange.

The celebration of the 200th anniversary of the United States, in respect of which preparations are in progress in Yugoslavia for participation in this historic jubilee, constitutes one more opportunity to

display our constant concern for the continuation of our traditional cooperation and friendship with your country.

More than a million Americans of Yugoslav descent, loyal citizens of the United States, live here today. We feel proud that in the history of the United States, in its struggle for independence and the building up of its constitutionality, the names of many individuals of Yugoslav extraction have been inscribed, people who spared no effort and sacrificed their lives to contribute to the well-being of this country.

Allow me, esteemed Mr. President, to propose this toast to your health, to the health of your associates, for the progress and prosperity of the United States of America, for the strengthening and promotion of friendly relations and cooperation between our two countries, for peace and progress in the world, and for the same bridge that you have toasted for, which has already lived there for 410 years.

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Joint Statement Following Talks With Prime Minister Bijedic of Yugoslavia. *March 19, 1975*

AT THE invitation of the United States Government, the President of the Federal Executive Council of the Socialist Federal Republic of Yugoslavia, Dzemal Bijedic, accompanied by his wife, is visiting Washington, D.C., from March 19 to 21, 1975.

The President of the United States of America, Gerald R. Ford, gave a luncheon in honor of the President of the Federal Executive Council at the White House March 19. During their talks, the President of the Federal Executive Council conveyed to the President of the United States a message from the President of the Socialist Federal Republic of Yugoslavia, Josip Broz Tito. The talks took place in an atmosphere of cordiality and openness.

The President of the Federal Executive Council will hold talks on bilateral relations and international questions of interest to the two countries with the Acting Secretary of State, Robert S. Ingersoll, who together with Mrs. Ingersoll are giving a dinner on behalf of the United States Government in honor of the President of the Federal Executive Council and Mrs. Bijedic March 19. The President of the Federal Executive Council will meet with the Secretary of Commerce, Frederick B. Dent, the President of the Export-Import Bank, William C. Casey, and the President of the Overseas Private Investment Corpora-

tion, Marshall T. Mays. These meetings will focus on trade and other forms of economic cooperation between Yugoslavia and the United States.

The two sides devoted particular attention to areas of continuing crisis such as the Middle East and Cyprus. In setting forth their views concerning the paths to be followed in attempting to resolve these and other outstanding world problems, the two sides emphasized the benefit of regular contacts and consultation at all levels to heighten understanding and mutual respect for one another's views and positions.

Reaffirming their mutual interest in the preservation and consolidation of peace in Europe and the further advancement of constructive cooperation among European states in a wide variety of fields, the two sides emphasized their determination and mutual interest in the continued coordination of efforts to attain acceptance of basic principles of inter-European cooperation and security, and an early, successful conclusion of the Conference on Security and Cooperation in Europe.

Both sides expressed continued determination to strive for effective disarmament measures which would strengthen the peace and security of all peoples.

The two sides affirmed that solutions to the problems which presently face mankind must be sought by peaceful means on the basis of respect for the principles of the Charter of the United Nations and the sovereign equality of all states irrespective of size or social, political and economic system. In this regard, it was recognized that Yugoslavia's policy of non-alignment contributes actively to greater understanding among peoples and the pursuit of peaceful resolution of international problems and conflicts.

Economic problems currently facing the world were discussed in the context of growing international interdependence. The two sides stressed the importance of finding solutions to such problems as energy and other raw materials, food, population, the environment, and economic development. They agreed that genuine peace and stability in the world depend on the achievement of significant progress toward the resolution of these problems, and that such progress can best be achieved by cooperative efforts and agreements which take into account the rights and interests of all countries, and not by confrontation.

The two sides expressed satisfaction that continued progress has been registered in bilateral cooperation between the Socialist Federal Republic of Yugoslavia and the United States of America. They noted particularly the substantial and continuing growth of trade between the two countries in recent years and agreed to act to promote continued economic and financial cooperation, including joint investments. Both sides also expressed a desire to maintain a high level

of joint scientific research between institutions and individual scientists of the two countries.

They also reaffirmed their intention to encourage the further expansion of cultural cooperation, reiterating their expectation that the participation of the Socialist Federal Republic of Yugoslavia in the forthcoming bicentennial of the United States of America will serve to deepen understanding between the peoples of the two countries. They also affirmed the importance to the development of the United States of America of American citizens of Yugoslav extraction who constitute an important link of friendship and communication between the peoples of the two countries.

The two sides underscored once again the continuing validity of the principles set forth in the Joint Statement of October 30, 1971, which constitutes a solid basis for stable, friendly relations and a broad spectrum of mutually beneficial cooperation between the two countries.

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Message to the Congress Transmitting Annual International Economic Report of the President. *March 20, 1975*

To the Congress of the United States:

America must adjust to turbulent global economic events. The world has moved from a period of slow economic growth in 1971 through a two-year expansionary boom to a sudden and pervasive recession. Recent events have caused the United States, as well as other countries, to reappraise international economic policies.

This, the third annual International Economic Report, describes the very difficult situation confronting us. It also reflects the progress made toward achieving our goal of an open world economy to serve the interdependent needs of all countries.

In 1974, most of the world's economies were beset by problems flowing from the unprecedented combination of recession and inflation. Additional pressures, including precipitous increases in energy costs and disappointing food harvests further strained the world economy, particularly in the areas of trade and monetary flows and adjustments. Moreover, these factors contributed to the trend towards increasing economic nationalism which could frustrate our desire for an open world economy.

In recent years, many governments have elected more direct involvement in

economic activities, notably through restrictive supply and pricing practices and, sometimes, by the expropriation of foreign investment. When governments manipulate international markets to maximize short-term benefits, they often do so at the expense of others and, ultimately, of themselves. Improved living standards and a more peaceful world are the rewards of an open world economy based on international cooperation. Such rewards are too great to allow shortsighted distractions to alter our course.

Building effective economic institutions and policies in today's economic environment is more difficult, but also more necessary, than ever. Unless we act constructively, energy and food problems, growing economic nationalism, the possibility of increased protection for trade, and the prospects of world recession and unemployment will jeopardize the world cooperation developed after World War II.

The United States does not and cannot govern the world economy. But it should fulfill its responsibility as an economic leader among nations. The Administration recognizes this responsibility. We have taken steps to turn the difficult food, energy, trade and investment issues into positive opportunities for achieving cooperation with trading partners and coordination between the Nation's domestic and international economic policies. Specifically, the Trade Act of 1974—which exemplified constructive cooperation between the Executive and Legislative Branches—reflects the U.S. commitment to an open and equitable world trading system.

The World Food Conference, proposed by the United States, set in motion international activities to improve world food reserves, agricultural assistance, crop information systems and increased food production. At the time I signed the Foreign Investment Study Act of 1974 which authorized the collection and analysis of data on foreign investment in the United States, I reaffirmed American support for the operation of free market forces to direct worldwide investment flows in the most productive way. Therefore, we will oppose any new restriction on foreign investment in the United States except where absolutely necessary on national security grounds or to protect an essential national interest.

The goal of normalization of economic relations with the Communist countries has been reaffirmed. America also has continued its commitment to help the less developed countries. Moreover, we have proposed that an International Monetary Fund trust be established to provide special assistance to the least developed countries. We will shortly implement a generalized system of preferences in trading with less developed countries. We are also continuing our cooperative efforts to achieve equitable treatment for U.S. investment abroad.

Recently, I sent to the Congress a comprehensive energy and economic program. It is designed to reduce our dependence on imported oil. The plan provides incentives to increase domestic energy production and conserve energy use. The United States is meanwhile developing joint policies with other major oil-consuming countries aiming at increased resource development and more efficient use of energy. The major consuming countries must act jointly to build a constructive relationship with the oil producing nations. Such actions are essential to restore the international confidence in adequate and reliable energy sources.

These interrelated economic activities are aimed at achieving an improved international economic system. They are part of a balanced policy. They also accentuate the positive initiatives being taken to cope with the specialized problems of food, assistance to less developed countries and East-West economic relations.

The United States firmly believes that our own problems, and those of the rest of the world, can be dealt with most effectively through international cooperation. We lead in the pursuit of peace. Therefore, our motivating principles, our standards of conduct and the guidelines we set for the conduct of international economic development are ever more crucial to our national well-being, and that of the world.

GERALD R. FORD

The White House,
March 20, 1975.

NOTE: The report is entitled "International Economic Report of the President, Transmitted to the Congress March 1975" (Government Printing Office, 166 pp.).

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Remarks at a Luncheon for Participants in the Travel Program for Foreign Diplomats. *March 20, 1975*

Thank you very much, Bob Anderson. President John Kircher, distinguished foreign diplomats, guests, and particularly those who have so long and so well supported this program:

It is really a great privilege and a very high honor to have the opportunity of being here again and participating in this sort of culmination of the program on a once-a-year basis. I was here once as a Congressman, and last year as Vice President, and now I am equally honored to be here as President.

It has been said that in diplomacy there are no true friendships—only temporary alliances of convenience. Looking back on history and studying some of the things that have happened over the last two centuries, I think there is some truth to this. I think we have to recognize as well, this is not the whole picture, and the world would be a pretty grim place if it were.

There are many in this audience who are professional diplomats, and all of those who are, know firsthand what it means to defend your country's interests and to negotiate on its behalf.

But as participants and supporters of the Travel Program for Foreign Diplomats, you also know that human understanding, communication, and friendship between people and nations is also a very real and a very vital force, an essential force for peace in the world today.

In the past 12 years, this very worthwhile program has made it possible, as has been said on many occasions, for more than 4,000 diplomats to know the United States, to know America, our people, in a way that they never could have through official channels.

Cooperation of countless individuals, as well as individual families in the private sector, have supported this program and made it successful. I am delighted once again to say a word of strong, strong endorsement of the program. This year, as it carries forward again, I hope and trust that its past progress will be multiplied. You are doing a fine job, and I thank each and every one of you—the sponsors, the participants, as well as others.

Now, to see firsthand the beauty and the expanse of this great country, to get to know the day-to-day joys and frustrations of an average working family in one of our great cities, to experience the immense diversity of regional tastes and traditions that we call America—all this is perhaps the only way to really comprehend our ideals, our aspirations, our great strengths underlying our national policies.

You cannot understand a nation without knowing its people. And only by getting to know individuals can you begin to know the people as a whole. By introducing foreign visitors to such a wide, wide range of Americans, the travel program performs a great service to our Nation.

I hasten to add, however, that I do not see the travel program as a one-way street. It is just as necessary for the United States diplomats to get to know the people of their host nations and to appreciate fully the traditions and cultural achievements of the countries where they are posted. The friendships that you forge today will pay dividends in peaceful understanding for the years to come.

I have often said that the keystone of this Administration is openness. But

when you get right down to it, the keystone of our American way of life is openness. We do not believe in hiding the truth, whether it is flattering or unflattering.

We recognize, of course, we know full well that we have our faults, and we certainly have our problems, but we want our friends from abroad to see the truth, to see how we solve our problems openly, and to judge for themselves the success of our democratic government.

We live in a time very unique for both its peril as well as its promise. The potential consequences of war today are more terrible than they have ever been in human history. But at the same time, the possibility of lasting global peace and prosperity is closer than ever before.

The road to such a peace is bound to be long and very difficult, but I firmly believe that we are making headway. We will have our disappointments. And one of the things that makes that road a little smoother and the trip far more rewarding is a program like this and the true spirit that it represents.

I congratulate you all. I thank you all. And I wish you the very best.

Thank you.

NOTE: The President spoke at 1:30 p.m. in the Formal Dining Room at the Department of State. In his opening remarks, he referred to Robert B.

Anderson, chairman of the Travel Program for Foreign Diplomats, Inc., and John Kircher, president of Continental Oil Company.

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Statement Supporting Senate Resolution on Voluntary Energy Conservation. *March 20, 1975*

IN MY State of the Union Message, I outlined a comprehensive program to address the Nation's energy and economic problems. My energy program includes measures to encourage energy conservation, to increase domestic energy production, and to prepare for any future emergency that might result from an oil embargo. I set goals of reducing oil imports by 1 million barrels per day below expected levels by the end of 1975 and 2 million barrels per day by 1977—and achieving energy independence by 1985.

I announced administrative actions and legislative proposals which are necessary to achieve these goals. The Nation is now awaiting action by the Congress on my legislative proposals. I am confident that the Congress will move quickly so that we can minimize the adverse economic impact of the outflow of dollars for imported oil and reduce our vulnerability to disruption by another embargo.

While we wait for the Congress to act, I would like to remind the American people that their voluntary actions *can* make an important contribution toward achieving our economic and energy goals. Recently, the Senate of the United States adopted a resolution sponsored by Senator Jennings Randolph of West Virginia and 67 other Senators which calls upon me to proclaim an Energy Conservation Month, during which voluntary actions to conserve energy might be intensified.

I welcome this action by the Senate and join the sponsors of the resolution in urging all Americans to renew their efforts to use energy wisely and more efficiently in their homes, offices, schools, farms, industries, commercial establishments, and travel.

The opportunities for voluntary energy conservation and the benefits of conservation are clear. Last September, I established a goal for Federal Government agencies to hold energy consumption in fiscal year 1975 to levels 15 percent below 1973. I am pleased to report that, during the first 6 months of fiscal year 1975, the Federal agencies have held consumption approximately 23 percent below 1973 levels—a savings equivalent to 46 million barrels of oil and a savings in energy costs to Federal taxpayers of \$425 million. In addition, the Energy Resources Council is working closely with industry and others to find ways of conserving energy.

The voluntary actions we have taken have made an important contribution, and I call upon the leaders of business and industry, State and local governments, and all the American people to renew and intensify their voluntary energy conservation efforts. The Senate has called for designation of a 1-month period for intensified energy conservation actions. But I am confident that all the Senators who sponsored Senate Resolution 59 will join me in urging all our citizens to make energy conservation a year-round effort.

We know that voluntary actions alone cannot solve our Nation's energy and economic problems. Action by the Congress is needed on the measures I have proposed to increase domestic production and to reduce demand, all of which are essential to the solution of our problem. I trust that Senate Resolution 59 is but the first of the constructive actions that we can expect from the Congress.

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**Message to the Congress Transmitting Annual Report of the
National Science Board. March 21, 1975**

To the Congress of the United States:

I am pleased to submit to the Congress the Sixth Annual Report of the National Science Board.

Our Nation's commitment to a strong program of scientific research is well-founded. Science has stretched the horizons of man by providing knowledge that enlarges our understanding of the universe and mankind. Scientific research has helped us solve a wide range of problems and provided the basis for expanding productivity, strengthening our economy and national security, and improving the quality of our lives.

There are many new challenges ahead, including mankind's growing power to affect the future and to modify—both intentionally and unintentionally—the basic conditions and quality of life. The National Science Board has made an important contribution by careful study of a number of the challenges that face our country and the world, including population growth, food supply, energy demands, mineral resource supply, weather and climate modification, and environmental change. The Board has recommended expanded research to help us prepare for these challenges.

Our strong national scientific research effort must be maintained with support from both the public and private sectors. During the current fiscal year, the Federal Government will spend \$7.4 billion for the support of research. My 1976 budget asks the Congress to provide \$8.2 billion—an increase of 10 percent. This increase, even though larger than that requested for many programs, will not permit support for all important research. For this reason, the National Science Board's report is especially significant. The recommendations of the distinguished scientists that make up the Board should be useful in identifying those areas of research that warrant the highest priority.

I am asking all Federal agencies to consider the Board's recommendations in developing their research programs. I also commend the report to the Congress and the American people.

GERALD R. FORD

The White House,
March 21, 1975.

NOTE: The report is entitled "Science and the Challenges Ahead—Report of the National Science Board 1974" (Government Printing Office, 56 pp.).

151

Memorandum on Annual Report on Federal Executive Boards. *March 21, 1975**Memorandum for Heads of Departments and Agencies*

During 1974, the 25 Federal Executive Boards across the nation made significant strides in improving internal Federal management and responding to unique community needs. This Annual Report of the FEBs attests to their collective ability to improve coordination and communication among Federal field offices, at other levels of government, and with the public.

As a result of their demonstrated commitment and enthusiasm, I believe FEBs can continue to be instrumental in supporting Presidential initiatives and programs. They can set an example in such areas of critical concern as improvement of management of resources in limited or short supply, encouragement of energy efficiency, productivity, and the restoration of confidence in government.

Please make your senior officials in the field aware of the importance of their continuing involvement with and support of FEBs. It is a very worthwhile effort.

GERALD R. FORD

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Text of Remarks at a Dinner for Participants in a White House Meeting on the Coal Industry. *March 21, 1975*

THIS HAS been a good day for all Americans. Anytime we can get leaders of a vital industry such as coal in the same room with government officials concerned about your industry and your problems, the American people benefit.

To have these discussions here at the White House—the symbolic home of all our people—is living proof of democracy at work. It also underlines the importance of this conference. I am delighted you are here.

Coal is one vital key to our Nation's success in meeting its energy needs for the rest of the century. The United States has enormous reserves of coal, with estimates ranging into the hundreds of years. Coal is as old as the world and as new as tomorrow. Americans took it for granted in the past. We can no longer afford to do so. Coal represents one immediate and dependable answer to the question of how we solve our energy needs in this Nation.

It represents an American answer, not one based on uncertain resources in faraway lands with different ideas and diverse interests. It represents our hope for the future. Coal is America's ace in the hole. We now know the impact of relying on foreign energy sources. The cost of foreign oil to the United States quadrupled in the past several years, soaring to more than \$24 billion last year. Is there any wonder, therefore, that you and I are here this evening?

The United States of America has gone to the Moon. And now it's time to use the same skill and ingenuity here on Earth. We must rediscover America. We must put our people to work to uncover the resources and discover the unknowns in our own backyard.

That is why I proposed the energy independence act last January 30. Several parts of that proposal are of great significance to the coal industry. Let me recall some of them briefly:

- Amendments to the Clean Air Act to permit greater use of coal when there is no threat to public health and where alternative pollution control methods can be effectively used;
- An extension of authority and enforcement of the Energy Supply and Environmental Coordination Act to use more coal in powerplants instead of oil and natural gas;
- Proposals to strengthen the financial health of electric utilities, which consume two-thirds of the country's coal production;
- Proposals to expedite the development and siting of energy facilities in cooperation with the States;
- Measures to provide needed authority to prevent other nations from undercutting our efforts to develop domestic resources and achieve energy independence.

I also proposed legislation to regulate surface mining and reclamation of coal lands. This would provide appropriate balance between the urgent need to increase coal production and the need to protect the environment. I stand today as squarely behind these proposals as the day I sent them to Congress. It was good legislation then. It is good legislation now.

The strip mining bills that have been passed by the House and Senate during the past 2 weeks contain some positive environmental provisions I support and some unnecessary parts that I cannot. These unnecessary provisions will hinder coal production.

The bill I proposed also sought to avoid unnecessary loss of coal production and added costs to the consumer. A few numbers will illustrate this point.

If we have strip mining controls that cause an unnecessary loss of coal production—let's say up to 50 million tons per year, which I understand from the Department of the Interior and the Federal Energy Administration is a conservative estimate—we must replace that lost coal with the equivalent of 200 million barrels of imported oil per year.

If we import another 200 million barrels of oil, we export another \$2 billion and lose at least 10,000 jobs as well.

I have called for doubling in coal production by 1985, which means about 1.2 billion tons per year. The Congressional Democrats called for 1.37 billion tons per year by 1985 in their energy programs. The objectives they set and their action on strip mining legislation is inconsistent.

While I am disappointed that the House and Senate did not accept the bill that I proposed, I must note that we did make progress on some provisions. But we must wait and see what comes out of the House and Senate conference still ahead. We must examine closely the production, job, and consumer cost impact of this legislation, as well as its effect on our balance of payments.

Our job now is to pull together in the national interest. There is no choice anymore. We must still use our vast supplies of coal in both solid and converted forms. To do that, we must upgrade our transportation systems. That means our railroads. It also applies to waterway carriers, coal-carrying pipelines, and trucks. Enormous capital and commitment are needed.

I will do all I can. But much responsibility rests with the Congress. All the coal-related industries share this responsibility as well. Utilities need to make long-term contracts with the producers. New equipment must be ordered while new mines are being planned.

A joint commitment of labor and management is necessary if our coal production goals are to be accomplished. I have said the United States must double its annual coal production to 1.2 billion tons annually by 1985. In view of this week's action by the Congress, that goal will be more difficult.

Yet labor has a great opportunity. Up to 125,000 more miners will be needed in the next 10 years. Productivity must also increase. Labor and management must work out better grievance procedures and ways of ending wildcat strikes and absenteeism.

In the push for greater production, there must be new dedication to work cooperatively for improved health and safety in our mines. I remember a meeting I had here in the White House last November 29 with Arnold Miller. We discussed mine health and safety. I said to Mr. Miller then and repeat those words now: "We cannot afford to lose a single life in the mines."

I want all of you here this evening to know I am committed to the maximum protection of the miner. Labor, management, and government must work together in this effort.

The Government has another vital, long-range commitment. The coal and transportation industries must have confidence that we here in Washington are really committed to the increased, long-term use of coal. As you know, a healthy railroad system is essential to support the Nation's efforts to double coal production. I will submit to the Congress in the near future a comprehensive legislative program to revitalize the country's railroads.

I want to reemphasize what I said in my State of the Union Message. I envision the development of more than 250 major new coal mines in the next decade and the construction of 150 major coal-fired powerplants and 20 major synthetic fuel plants.

I am pursuing three major objectives:

—First, to increase our capability to convert coal into clean gaseous and liquid fuels. To meet this goal, the Government, working with private industry, is completing work on four coal liquefaction pilot plants. Government and industry are starting the design of a commercial-size facility to produce liquid and gaseous boiler fuel and finishing construction of six pilot plant facilities to produce synthetic pipeline gas.

—Second, to develop technologies that will burn coal directly without producing environmental damage.

—Third, to improve the Nation's mining technology to insure that we can produce the needed coal safely and in an environmentally sound way. To emphasize: In all these efforts, the Government is working closely with industry. The Government has actively encouraged—and I fully support—the participation and joint sponsorship of such projects by mineowners, energy companies, utilities, manufacturers, and research organizations.

To meet the challenge of the goals I have set—the doubling of coal production in the next 10 years—we must increase production by at least 7 percent each year. In 1985, nearly 70 percent of our coal will be produced by mines that do not now exist.

This will require immense effort on the part of many people. The industry must plan these mines, obtain new, technologically superior equipment, solve extraordinary problems in coal handling and transportation, and still raise multibillion dollars in capital to do all this. That capital must be raised in competition with other investment market demands.

In the meantime, it is your job and my responsibility not to leave the future

of the Nation to chance. If we are to build the America of tomorrow, we must begin work today. It is said that great people have wills and feeble ones wishes. We Americans have always prided ourselves on our will to win and on our ingenuity. As a people of action, we have made our dreams come true.

I believe we have the will, the resources, and the leadership to achieve energy independence. And I call upon all of you to join in this great effort. To pledge less than a united effort would be unworthy of us. I know you will do your best. I will do mine.

NOTE: The President spoke following a reception and dinner which began at approximately 6:30 p.m. in the State Dining Room at the White House. Earlier in the day, the labor and management representa-

tives of the coal and coal-related industries had attended a White House briefing by Administration officials.

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Remarks Upon Secretary of State Kissinger's Return From the Middle East. *March 23, 1975*

Mr. Secretary:

It is a great privilege for me to welcome you back on an extraordinarily difficult mission on behalf of the United States and the problems that are in the Middle East.

I know that you made a maximum effort. Unfortunately, for reasons beyond our control, it did not turn out the way we wanted it.

But let me say, the United States will continue to emphasize our desire to achieve a lasting peace in the Middle East by working with one country, other countries, and all countries.

It is in the national, as well as in the international interest that we do everything we can with the emphasis on peace. Although we have—on a temporary basis, hopefully—not achieved all that we had desired, I continue to be an optimist, that the good judgment, the wise decisions of all parties will result in the ultimate objective of peace in the Middle East and its ramifications on a worldwide basis.

Henry, would you like to add anything?

SECRETARY KISSINGER. Mr. President, I very much appreciate your greeting me here, as you sent me off from here.

The necessities that produced the mission continue, and the need for a lasting peace in the Middle East remains.

As the President pointed out, the United States remains ready to work with the parties, and other interested countries, to promote a peace of justice in the Middle East.

Thank you.

NOTE: The President spoke at 8:21 p.m. on the South Lawn at the White House following Secretary Kissinger's arrival by helicopter from Andrews Air Force Base.

The Secretary's return followed a suspension of negotiations between Egypt and Israel on mutual troop disengagement in the Sinai Peninsula.

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Letter to the Speaker of the House and the President of the Senate on Designation of Developing Countries for Purposes of the Generalized System of Preferences. *March 24, 1975*

IN ACCORDANCE with Section 502(a) of the Trade Act, I wrote to you on January 13, 1975,¹ concerning my intention to make certain designations of countries as beneficiary developing countries for purposes of implementing the generalized system of tariff preferences.

I wish to inform you that today I have issued an Executive order designating certain beneficiary countries. On the basis of an extensive review of all relevant investment disputes which has been completed since my January 13 letter, I have determined that several countries which otherwise might be ineligible for generalized preferences by virtue of the provisions of Section 502(b)(4) (A), (B) or (C), are eligible for beneficiary status by reason of the provisions of Section 502(b)(4)(D). Accordingly, such countries were included among the ones designated in Section 1 of the Executive order as beneficiary developing countries. As required by Section 502(b)(4), I am furnishing herewith a copy of my determinations pursuant to Section 502(b)(4)(D).²

Because we were able to make these determinations prior to publication of the Executive order designating certain beneficiary developing countries, it no longer is necessary to follow the procedure for use of the waivers based on national economic interest, described in the sixth paragraph of my letter of January 13. I have also decided that Gabon, The Peoples' Republic of Yemen, Somalia, and Uganda, which were on list A in the Tab to my letter of January 13, will not be designated at this time but will be added to those countries being

¹ The text of the President's letter is printed in H. Doc. 94-85 (94th Cong., 1st sess.).

² The text of the Presidential determination is printed in the Code of Federal Regulations (3A CFR, 1975 Comp., p. 244).

considered for designation as beneficiary developing countries after certain determinations are made, statutory conditions are met or statutory requirements fulfilled pursuant to Section 502 of the Trade Act.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

On the same day, the President signed Executive Order 11844 designating beneficiary developing countries for the generalized system of preferences.

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Statement on the Death of King Faisal Ibn Abdul Aziz of Saudi Arabia. *March 25, 1975*

IT WAS with the deepest sorrow that I learned of the tragic death of His Majesty King Faisal, a close friend of the United States and a leader who achieved so much for his people and those of the Arab world and Islam and whose wisdom and stature earned the respect of the entire world. On behalf of the American people, I wish to extend my deepest sympathy to the Royal Family and to the people of Saudi Arabia, whose grief we share.

NOTE: King Faisal was assassinated by his nephew, Prince Faisal Ibn Musaid Abdul Aziz, in Riyadh, Saudi Arabia, on March 25, 1975. Vice President

Rockefeller left for Saudi Arabia on the evening of March 25 to express the President's condolences to Crown Prince Khalid, King Faisal's successor.

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Memorandum on Federal Employment of the Handicapped. *March 25, 1975*

[Dated March 24, 1975. Released March 25, 1975]

Memorandum for Heads of Executive Departments and Agencies

The Federal Government firmly advocates equal employment opportunities for all Americans. In this context, I pledge my Administration to the employment and full utilization of handicapped persons in staffing the Federal service. Let the emphasis rest upon the individual's ability rather than his or her disability. The handicapped have proved that they are efficient, effective, and productive workers. They can advance the Government's service to its citizens.

Since World War II, Federal jobs have been opened to more than a quarter million of our citizens who, though handicapped, have nonetheless been qualified to serve. They have served well.

The Federal Government has a strong commitment to:

- assist the physically impaired, including the disabled veteran, who are not occupationally handicapped when assigned to the right job;
- consider the mentally restored whose only handicap is that they once suffered an emotional illness; and
- employ the mentally retarded who can demonstrate ability to perform certain tasks required in all organizations.

Now, under the Rehabilitation Act of 1973 and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, that policy has been given new force and meaning for handicapped citizens. Under these laws you are charged with developing comprehensive affirmative action plans for the hiring, placement, and advancement of handicapped individuals and disabled veterans in each Federal department and agency. I urge you to carry out these plans to the fullest extent so that our fellow citizens can learn from your example.

GERALD R. FORD

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Letter to the Speaker of the House and the President Pro Tempore of the Senate on Pending Tax Reduction Legislation.

March 26, 1975

[Dated March 25, 1975. Released March 26, 1975]

I AM writing you while the Conference Committee is considering the House and Senate versions of H.R. 2166, the tax cut which I urged last January to stimulate the economy. Although I am most anxious to sign a bill along the lines I have proposed, I am now concerned that Congress is trying to do too much in the legislation the Conferees are considering, thereby providing an economic stimulus far beyond that which is needed.

The Conferees and the Members should understand that I will be unable to accept a bill so encumbered with extraneous amendments and of such deficit-increasing magnitude as to nullify the intended effect of a one-time stimulant.

The purpose in asking the Congress to enact a simple tax cut as quickly as possible was to stimulate the economy. I proposed temporary one-time tax cuts totalling \$16 billion. My proposal was designed to provide maximum stimulus

without setting the stage for a new inflationary spiral when the economy starts to recover. Reasonable men can differ on the exact size of the tax cut, but everyone agrees on the need for prompt action. I indicated my willingness to compromise within reasonable limits.

I regret that the Senate version of H.R. 2166 goes far beyond the purpose of providing a quick stimulus and mortgages our economic future in a way that is unacceptable to me. It is unacceptable because:

(1) The Senate version would increase the size of the tax reduction from \$16 billion to more than \$30 billion—roughly doubling the impact on combined fiscal years 1975 and 1976 budget deficits already far too high. That increase must be considered in the context of other Congressional actions and inaction. If Congress continues its present pattern of rejecting the spending cuts I proposed, the deficit would grow by an *additional* \$16 billion. And the minimum cost of the additional spending programs being considered in the Congress would add still another \$20 billion. In combination, these Congressional actions would increase these deficits by \$50 billion.

Such an enormous increase in an already substantial deficit jeopardizes the prospect of economic recovery and makes us hostage to future inflation.

(2) Although both bills incorporate billions of dollars of tax reductions which are temporary as written, they are of such a nature that they will undoubtedly continue next year and beyond. That is a sure formula for larger deficits and spiralling inflation for years to come, unless offset by other revenues or spending cuts. My proposal was for a one-year stimulant limited to \$16 billion. An amount unreasonably larger than the House bill could do more harm than good.

(3) The Senate version would raise major obstacles to badly needed reforms in the tax and welfare systems. I regard both reforms as matters of high priority. Both require the most careful deliberation but not in this emergency antirecession legislation.

(4) The Senate version distributes the federal income tax burden unfairly by eliminating too many citizens from paying any tax. My January proposal would have distributed tax cuts evenly to those who now carry the tax load. I recommend that the conferees and the members review the bills before you to be sure that they do not discriminate against middle-income Americans, who already carry the major share of the tax burden.

(5) The Senate version, in particular, has several provisions which will not contribute to economic recovery and may cost additional jobs. I have consistently

urged an uncomplicated tax refund to put extra purchasing power in the hands of American taxpayers.

I urge the conferees basically to accept the House bill with minor revisions. I am prepared to work with the Committees and the Congress as long as necessary to assure the American people of a reasonable tax cut which will stimulate the economy without jeopardizing its future.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable James O. Eastland, President pro tempore of the Senate.

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Remarks at the Swearing In of Frederick B. Dent as Special Representative for Trade Negotiations. March 26, 1975

Mr. Secretary:

This is a really great occasion. You become, after the swearing-in ceremony, an official member of the White House family.

Unfortunately, it means that you have to leave the Department of Commerce, and you go from "Mr. Secretary" to "Mr. Ambassador," but you did such a fine job over in the Department of Commerce that when we were looking for someone who would take on this new responsibility, you were a person that I knew and everybody knew would do a first-class job.

Now, you have got great difficulties ahead of you. You have to deal in this new capacity as a Special Trade Representative with some 100-plus foreign countries, negotiating the very delicate trade problems between other countries and ourselves and between all countries together.

But you also have an added difficulty, and that is convincing the Congress that you are carrying out the mission that was given to you and to this Administration to make the trade legislation work for the benefit of the United States and the world as a whole.

I don't envy the difficulties you have, but I am confident that you can carry them out in an outstanding way.

It is a great privilege and pleasure for me to participate in the swearing in.

You have had some outstanding predecessors, such as Chris Herter, who is known by many here. You follow in the footsteps of Bill Eberle, who did a fine

job in working with the Congress to get the legislation through. But now you will undertake—as a businessman, as a top Government official, and as a representative of our country—a very momentous mission.

I congratulate you on the job you have done, and I wish you well in your new responsibilities. We are mighty proud to have you in this great and important responsibility.

So, Judge Chapman, will you kindly proceed and see that Fred gets properly sworn in?

NOTE: The President spoke at 10:53 a.m. in the Cabinet Room at the White House. Judge Robert F. Chapman of the United States District Court for the District of South Carolina administered the oath of office.

Mr. Dent's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 307).

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Memorandum on the U.S. Savings Bonds Program.

March 27, 1975

Memorandum for the Heads of Departments and Agencies

I have reappointed the Honorable Earl L. Butz, Secretary of Agriculture, as Chairman of the Interdepartmental Savings Bonds Committee. He has made a great contribution to this program for the past two years. The Committee needs his leadership and experience.

The U.S. Savings Bonds program is, as you know, a key tool in the management of the public debt. Today, Americans own a record \$64½ billion worth of these securities, which represent nearly one-fourth of the publicly-held portion and constitute the most stable element in the entire debt structure.

The program has also made a major contribution to the financial security of individuals, providing a safe and convenient method of accumulating reserves for the future.

Because the purchase of U.S. Savings Bonds supports the Government's policies and programs in these two important ways, it is fitting that employees of the Federal Government take the initiative in the purchase of Savings Bonds through the Payroll Savings Plan and set an example for all Americans in securing their country's future.

The heads of departments and agencies, who make up the Interdepartmental Savings Bonds Committee, have the special responsibility to offer and promote

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Gerald R. Ford, 1975

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the Payroll Savings Plan to every employee. Under this leadership I am confident the 1975 Federal campaign will attain a new high level of participation.

GERALD R. FORD

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Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Appropriations Legislation for the Executive Office of the President. March 27, 1975

[Dated March 26, 1975. Released March 27, 1975]

I TRANSMIT herewith for the consideration of the Congress draft legislation which would authorize annual appropriations for the White House Office, the Executive Residence, Special Assistance to the President (i.e., assistance provided to the President by the Vice President for Executive branch duties), the Domestic Council, and funds to meet unanticipated needs for personnel and administrative expenses.

The activities provided for in this bill have been funded over the years in annual appropriation acts but these acts have been delayed the past few years because some provisions were not authorized in permanent legislation. This bill was drafted to remedy that situation and I am now requesting that permanent authorizations be enacted to facilitate the appropriation process.

The bill sets upper limits on the pay level of senior staff assistants in each of the offices concerned and is consistent with the present levels approved by the Congress in annual appropriation acts. It also authorizes and sets pay limitations on consultants hired by these offices. In addition, travel and official entertainment expenses, which are appropriated annually, would be made subject to the authorization provided for in this bill.

The bill would not change the requirements for annual appropriations for each of the offices concerned. Budgets will continue to be submitted annually to the Congress and the Appropriations Committees will have an opportunity for complete review during their hearings.

I urge the Congress to act favorably on this proposal and trust that its enactment will expedite the appropriation process.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate. The text of the draft legislation was included as part of the release.

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Statement on Signing the Foreign Assistance and Related Programs Appropriations Act, 1975. *March 27, 1975*

I HAVE signed H.R. 4592, the Foreign Assistance and Related Programs Appropriations Act, 1975, with considerable misgivings. The considerable reductions in overseas assistance programs—which the Congress authorized only 3 months ago—could prove detrimental to American interests at home and abroad.

The Administration sought appropriations that would reflect the same spirit of constructive compromise that characterized our cooperative efforts in December. I continue to believe that the interests of the United States in an increasingly interdependent community of nations require our purposeful and responsible participation. Such participation is impossible if the Administration's best estimates of a balanced foreign assistance program are subjected to reductions of these drastic dimensions.

I am disappointed that harmful cuts were inflicted in both the development and security assistance sectors. Interdependence applies not only to the present political and economic realities of America's role in the global community but also to the various modes of foreign assistance which we employ in our foreign policy. Programs of a humanitarian or developmental nature cannot be productive if our friends and allies are unable to defend themselves.

In the areas of humanitarian and development assistance, the \$200 million reduction in food and nutrition funds renders our efforts to alleviate world hunger all the more difficult. The significant reduction in population planning funds will hamper initiatives related to this important factor in the long-term global food and health situation. I deeply regret the action of the Congress in reducing the request for Indochina postwar reconstruction funds by over one half—from \$939 million to \$440 million. At this crucial time, our friends in Vietnam and Cambodia are under heavy attack on the battlefield and must cope with enormous refugee problems.

I am also disappointed that the request for our voluntary contribution to international organizations and programs has been severely reduced. The impact of this reduction will be felt in the lessening of our financial support to the

United Nations Development Program (UNDP). Our deep involvement in the UNDP over the years has been seen by many nations as symbolic of our commitment to work through multilateral as well as bilateral channels to assist the developing world.

In the area of security assistance, I am disappointed in the massive reduction in funding for the Military Assistance Program. The program funds authorized by the Congress would have been barely adequate in terms of supplying needed military materiel to a small group of friendly countries unable to assume a greater financial share of their security burden through credit or cash purchases. However, the appropriation of less than half of this sum has jeopardized these critical programs. Simultaneously cutting its appropriations for foreign military sales credits accentuates the difficulties created by the deep cuts in the military assistance program.

Finally, I am troubled because reductions in the overall quantity and quality of our development and security assistance programs will occur at precisely the time when America's assistance is vitally needed. I fervently hope that the Congress will give urgent attention to the interlocking relationship of America's present problems at home and abroad and provide future funding that will be commensurate with our stated principles and national self-interest.

NOTE: As enacted, H.R. 4592, approved March 26, 1975, is Public Law 94-11 (89 Stat. 17).

162

Message to the Congress Transmitting Annual Report on the Status of Federal Advisory Committees. *March 28, 1975*

To the Congress of the United States:

In accordance with the provisions of section 6(c) of the Federal Advisory Committee Act, the report on the status of advisory committees in 1974 is herewith forwarded.

This is the third annual report. It is organized to improve public access to information concerning specific advisory committees and the Federal agencies to whom they provide advice.

GERALD R. FORD

The White House,
March 28, 1975.

NOTE: The report is entitled "Federal Advisory Committees—Third Annual Report of the President, Covering Calendar Year 1974" (Government Printing Office, 150 pp.).

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Statement Announcing Humanitarian Assistance for Refugees in the Republic of Vietnam. *March 29, 1975*

A SEVERE emergency exists in the coastal communities of South Vietnam which are swollen with helpless civilian refugees who have fled the North Vietnam offensive. They are desperately in need of any assistance we and other nations can provide.

To help the refugees reach safe haven further south, I have ordered American naval transports and contract vessels to assist in the evacuation of refugees from the coastal seaports.

I also call upon all nations and corporations that have ships in the vicinity of the South Vietnamese coast to help evacuate refugees to safety in the south.

I have directed that U.S. Government resources be made available to meet immediate humanitarian needs and I have appointed Mr. Daniel Parker, Administrator of the Agency for International Development, as my Special Coordinator for Disaster Relief.

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Address to the Nation Upon Signing the Tax Reduction Act of 1975. *March 29, 1975*

Fellow Americans and fellow taxpayers:

Eleven weeks ago, in mid-January, I requested the new Congress to pass as its first priority a simple \$16 billion reduction in Federal income taxes in order to stimulate economic activity and put people back to work.

I asked for a one-time refund to individual 1974 taxpayers up to a maximum of \$1,000, enough to assist in the purchase of new cars, home appliances, or other improvements, thus helping business and workers in areas that have been especially hard hit by the recession. I also asked for bigger investment credits to encourage all businessmen and farmers to expand and make more jobs.

Jobs were then and are now my main concern. Unfortunately, though some other economic signs are improving, the employment picture remains bleak. I want most to help those who want to get back to work in productive jobs. This can best be done by temporary tax incentives to charge up our free enterprise system—not by government handouts and make-work programs that go on forever.

Therefore, over the past few months, I have repeatedly urged the Congress to get a straightforward tax cut bill on my desk by Easter, one that would restore some of the buying power American families lost to inflation and rising prices in 1973 and 1974. My objective was to put money in the pockets of the American people promptly rather than have the Congress dream up new schemes for more of *your* money to be spent by the Government in Washington.

Last Wednesday, before recessing, the Congress did pass a tax reduction bill, which is here before me.

The tax cut finally adopted by the Congress represents a compromise between the \$16 billion I recommended in January and the \$32 billion figure passed by the Senate. I said that I would accept a reasonable compromise. And the \$23 billion tax reduction is within reason.

However, this bill also distributes the cuts differently and, in my opinion, fails to give adequate tax relief to the millions of middle-income taxpayers who already contribute the biggest share of Federal taxes.

But the most troublesome defect of this bill is the fact that the Congress added to an urgently needed antirecession tax reduction a lot of extraneous changes in our tax laws, some well-intentioned, but very ill-considered, which should have waited for deliberate action in committee hearings and full debate by all Members. Instead, they were adopted in a hectic, last-minute session before recessing.

This is no way to legislate fundamental tax reforms, and every Member of the Congress knows it. Upon their return, I will again ask the House and Senate to work with me on a comprehensive review of our tax structure to eliminate inequities and to ensure adequate revenues for the future without crippling economic growth.

I commend those Members of the Congress who fought for a clean and uncomplicated tax cut to create more jobs and speed economic recovery. If I were still in the House of Representatives, I would have opposed extraneous amendments and would have voted to send this bill back to committee for further cleaning up.

As President, however, I cannot, under the Constitution, accept a part of this bill and reject the rest. It comes before me on a take-it-or-leave-it basis. The Congress has gone home. I believe my veto would eventually be sustained. But I am by no means sure that this Congress would send me a better bill. It might even be worse.

The people of this country need to know, right now, how to plan their financial affairs for the rest of this year. Farmers and businessmen have already waited

too long to find out what investments they can make to improve their production and put people back on the payroll. Confidence depends on certainty. And while the Congress deliberated, uncertainty has clouded financial planning throughout the country. Our country needs the stimulus and the support of a tax cut and needs it now.

I have therefore decided to sign this bill so that its economic benefits can begin to work.

I do this despite the serious drawbacks in the bill. Most of the drawbacks are enacted for only 1 year. I strongly urge the Members of the Congress to calmly reflect upon these provisions and let the worst expire. However, any damage they do is outweighed by the urgent necessity of an antirecession tax reduction right now.

Even if I asked the Congress to send me a better bill and it did, it would take too long a time to get one back, and I cannot, in good conscience, risk more delay. But I will work with the Congress to not only remedy the deficiencies in this bill but also the dangerous actions and attitudes towards huge Federal deficits some Members have already shown in other legislative decisions.

The first part of my economic recovery recommendations last January—a prompt tax cut of reasonable size—now becomes law.

[*At this point, the President signed H.R. 2166.*]

The second and equally important part of my economic program was to restrain Federal spending by cutting back \$17 billion in existing programs and by a 1-year moratorium on all new Federal spending programs, except in the critical field of energy.

So far, these proposals have been mostly ignored or rejected by a majority of the Members of the Congress. Now that we have reduced our tax revenues by some \$7 billion more than I proposed, we must move to reduce Federal spending in every way we can. We cannot afford another round of inflation due to giant and growing deficits that would cancel out all our expected gains in economic recovery.

Maybe I can show you the situation better on this chart.

If Congress had accepted all my economic recovery proposals, both for tax cuts and spending cuts, the estimated Federal deficit for fiscal year 1976 would have been about \$52 billion, as represented by this column.

This kind of a deficit is far too high, but most of it was unavoidable and was brought about by mandatory Federal payment programs already on the statute

books, by increased unemployment compensation, and reduced tax revenues due to the recession.

This is where we are today. The tax cuts in the bill I have just signed and other changes will bring the estimated fiscal year 1976 deficit up to approximately \$60 billion.

Since January, Congress has rejected or ignored most of my requested spending cuts. If Congress fails to make these reductions, it will add up to about \$12 billion to the contemplated 1976 deficit. On top of that, as I look at the new spending actions which committees of the Congress are already seriously considering, I can easily add up another \$30 billion of spending. This would bring the deficit to the enormous total of \$100 billion.

Deficits of this magnitude are far too dangerous to permit. They threaten another vicious spiral of runaway, double-digit inflation which could well choke off any economic recovery.

Interest rates, now starting down, would again climb as the Federal Government borrowed from the private money market to finance its \$100 billion deficit. Individual citizens would be unable to borrow money for new homes, cars, and other needs. Businesses, despite the increased tax credit, would delay investments and expansions to put the unemployed back to work. I am, therefore, serving notice now that this is as high as our fiscal 1976 deficit should go. I am drawing the line right here [*indicating \$60 billion on chart*].

This is as far as we dare to go.

I will insist (resist) every attempt by the Congress to add another dollar to this deficit by new spending programs. I will make no exceptions, except where our long-range national security interests are involved, as in the attainment of energy independence or for urgent humanitarian needs.

In short, in signing this bill, I am keeping my promise to reach a reasonable compromise with the Congress and to provide a needed boost to the economy. I must say again, this is as far as I will go.

If we use common sense and prudence, I am confident that the present recession will retreat into history.

If your Congressmen and your Senators return from their recess with new awareness of your deep concern and desire for caution and care in steering our difficult economic course, we will soon get back on the broad highway of increasing productivity and prosperity for all our people.

Thank you and good evening.

NOTE: The President spoke at 7:31 p.m. from the Oval Office at the White House. His address was broadcast live on radio and television.

As enacted, H.R. 2166 is Public Law 94-12 (89 Stat. 26).

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Remarks on Arrival at Bakersfield, California.*March 31, 1975*

LET ME express again my very deep appreciation to all of you, coming out on this beautiful day and welcoming me and the others here in Bakersfield.

I am particularly grateful that your Congressman, Bill Ketchum, your mayor, your State assemblyman, your head of the county commissioners—and I brought with me Congressman Al Bell—and the attorney general, Evelle Younger, are here. Let me say that the warmth of the reception and the wonderful bands that are here—I understand there are some seven bands here altogether—I appreciate it very, very much.

I had planned to come to Bakersfield on at least two other occasions in the past. For one reason or another, it was not possible to get here, so I am particularly pleased to come and visit your community, your area, and see so many wonderful people, particularly the young people.

You have a great area of our great country. You have the finest in agriculture. You have the great potential of giving to this country added capability in the field of energy. You are hard-working, dedicated, loyal Americans who give me faith every time that I see faces like this and people such as yourselves.

We have some problems in America, problems both at home and abroad, but these are the kind of problems that can be solved, will be solved with the true American spirit that has taken our country in some 200 years from 13 poor, struggling colonies on the east coast to a country of 213 million loyal, dedicated, visionary, imaginative Americans. And I say to you that America is just beginning to be the country that our forefathers wanted it to be, and we are going to make it.

So, our third century, which begins in a few months, is a century that will make America both at home and abroad an America that can continue to give leadership and can continue to give to our people all of the blessings of our great country.

Thank you very, very much.

NOTE: The President spoke at 10:22 a.m. at Meadows Field. In his opening remarks, he referred to Mayor Don Hart of Bakersfield, State Senator Walter Stiern, and John Mitchell, chairman of the

Kern County Board of Supervisors.

Following his remarks, the President flew by helicopter to inspect Naval Petroleum Reserve No. 1 at Elk Hills, Calif.

166

The President's News Conference of *April 3, 1975*

THE PRESIDENT. At the outset, let me express my appreciation to Mayor Pete Wilson and the fine people of San Diego for the very warm welcome.

I also am delighted to see one or more of my former colleagues in the Congress here. It is always nice to see them. And Al¹ and others who may be here, good morning.

I have a short opening statement.

STATEMENT ON UNITED STATES HUMANITARIAN ASSISTANCE TO THE REPUBLIC OF VIETNAM

[1.] We are seeing a great human tragedy as untold numbers of Vietnamese flee the North Vietnamese onslaught. The United States has been doing and will continue to do its utmost to assist these people.

I have directed all available naval ships to stand off Indochina to do whatever is necessary to assist. We have appealed to the United Nations to use its moral influence to permit these innocent people to leave, and we call on North Vietnam to permit the movement of refugees to the area of their choice.

While I have been in California, I have been spending many hours on the refugee problem and our humanitarian efforts. I have directed that money from a \$2 million special foreign aid children's fund be made available to fly 2,000 South Vietnamese orphans to the United States as soon as possible. I have also directed American officials in Saigon to act immediately to cut redtape and other bureaucratic obstacles preventing these children from coming to the United States.

I have directed that C-5A aircraft and other aircraft, especially equipped to care for these orphans during the flight, be sent to Saigon. I expect these flights to begin within the next 36 to 48 hours. These orphans will be flown to Travis Air Force Base in California and other bases on the west coast and cared for in those locations.

These 2,000 Vietnamese orphans are all in the process of being adopted by American families. This is the least we can do, and we will do much, much more.

The first question is from Mr. George Dissinger of the San Diego Tribune.

¹ Representative Alphonzo Bell of California.

QUESTIONS

REPUBLIC OF VIETNAM AND CAMBODIA

[2.] Q. Mr. President, are you ready to accept a Communist takeover of South Vietnam and Cambodia?

THE PRESIDENT. I would hope that that would not take place in either case. My whole Congressional life in recent years was aimed at avoiding it. My complete efforts as President of the United States were aimed at avoiding that.

I am an optimist, despite the sad and tragic events that we see unfolding. I will do my utmost in the future—as I have in the past—to avoid that result.

Q. Mr. President, I understand you are soon going to ask Congress for new authority to extend humanitarian aid in Southeast Asia. I wondered if you stand by your request, though, for more military aid for South Vietnam?

THE PRESIDENT. We do intend to ask for more humanitarian aid. I should point out that the Administration request for \$135 million for humanitarian aid in South Vietnam was, unfortunately, reduced to \$55 million by Congressional action. Obviously, we will ask for more. The precise amount we have not yet determined.

We will continue to push for the \$300 million that we have asked for and Congress had authorized for military assistance to South Vietnam, and the possibility exists that we may ask for more.

Q. Mr. President, how and why did the U.S. miscalculate the intentions of the will of the South Vietnamese to resist?

THE PRESIDENT. I don't believe that we miscalculated the will of the South Vietnamese to carry on their fight for their own freedom.

There were several situations that developed that I think got beyond the control of the Vietnamese people. The unilateral military decision to withdraw created a chaotic situation in Vietnam that appears to have brought about tremendous disorganization.

I believe that the will of the South Vietnamese people to fight for their freedom is best evidenced by the fact that they are fleeing from the North Vietnamese, and that clearly is an indication they don't want to live under the kind of government that exists in North Vietnam.

The will of the South Vietnamese people, I think, still exists. They want freedom under a different kind of government than has existed in North Vietnam. The problem is how to organize that will under the traumatic experiences of the present.

Q. Unilateral decision by whom?

THE PRESIDENT. It was a unilateral decision by President Thieu to order a withdrawal from the broad, exposed areas that were under the control of the South Vietnamese military.

Miss Thomas [Helen Thomas, United Press International].

Q. Mr. President, what is your response to the South Vietnamese Ambassador to Washington's statement that we had not lived up to the Paris peace accords and that the Communists are safer allies?

THE PRESIDENT. I won't comment on his statement. I will say this: that the North Vietnamese repeatedly and in massive efforts violated the Paris peace accords. They sent North Vietnamese regular forces into South Vietnam in massive numbers—I think around 150,000 to 175,000 well-trained North Vietnamese regular forces—in violation of the Paris peace accords, moved into South Vietnam. We have objected to that violation.

I still believe that the United States, in this case and in other cases, is a reliable ally. And although I am saddened by the events that we have read about and seen, it is a tragedy unbelievable in its ramifications.

I must say that I am frustrated by the action of the Congress in not responding to some of the requests both for economic and humanitarian and military assistance in South Vietnam. And I am frustrated by the limitations that were placed on the Chief Executive over the last 2 years.

But let me add very strongly: I am convinced that this country is going to continue its leadership. We will stand by our allies, and I specifically warn any adversaries they should not, under any circumstances, feel that the tragedy of Vietnam is an indication that the American people have lost their will or their desire to stand up for freedom anywhere in the world.

Q. Well, Mr. President, can you explain why President Thieu, with our close military ties as allies, did not tell you what he was going to do in terms of the retreat?

THE PRESIDENT. I think the only answer to that can come from President Thieu.

Q. Mr. Ford, recently you said the fall of Cambodia could threaten the national security of this country. Now, considering the probable fall of South Vietnam to Communist forces, do you feel that will threaten our national security, and if so, how?

THE PRESIDENT. At the moment, I do not anticipate the fall of South Vietnam, and I greatly respect and admire the tremendous fight that the Government and the people of Cambodia are putting up against the insurgents who are trying to take over Cambodia.

I believe that in any case where the United States does not live up to its moral or treaty obligations, it can't help but have an adverse impact on other allies we have around the world.

We read in European papers to the effect that Western Europe ought to have some questions. Let me say to our Western European allies: We are going to stand behind our commitments to NATO, and we are going to stand behind our commitments to other allies around the world.

But there has to be in the minds of some people, a feeling that maybe the tragedy of Indochina might affect our relations with their country. I repeat, the United States is going to continue its leadership and stand by its allies.

Q. Are you, in fact, a believer of the domino theory—if Southeast Asia falls, then perhaps some of the other countries in the Pacific are next?

THE PRESIDENT. I believe that there is a great deal of credibility to the domino theory. I hope it does not happen. I hope that other countries in Southeast Asia—Thailand, the Philippines—don't misread the will of the American people and the leadership of this country to believing that we are going to abandon our position in Southeast Asia. We are not.

But I do know from the things I read and the messages that I hear, that some of them do get uneasy. I hope and trust they believe me when I say we are going to stand by our allies.

PROTECTION OF AMERICANS OVERSEAS

[3.] Q. Mr. President, as you are well aware, there are about 7,000 Americans still in Saigon. They are in danger not only from Communist attack but from South Vietnamese reprisals. There are reports the South Vietnamese are in a bad temper toward Americans. Do you feel that under the War Powers Act and also under the limitations voted by Congress in 1973 on combat by Americans in Indochina that you could send troops in to protect those Americans, and would you, if it came to that?

THE PRESIDENT. I can assure you that I will abide totally with the War Powers Act that was enacted by the Congress several years ago. At the same time, I likewise assure you that we have contingency plans to meet all problems involving evacuation, if that should become necessary. At this point, I do not believe that I should answer specifically how those contingency plans might be carried out.

Q. Sir, you don't want to talk specifically. Can you tell us, however, if you do believe that you do have the authority to send in troops? You are not saying, I understand, whether you would, but do you have the authority?

THE PRESIDENT. It is my interpretation of that legislation that a President has

certain limited authority to protect American lives. And to that extent, I will use that law.

VIETNAMESE WAR ORPHANS

[4.] Q. Mr. President, despite your statement here this morning about war orphans, there apparently is a lot of redtape in Washington. A San Diego man, who is trying to get four Vietnamese children out of that country, has received hundreds of calls from people all over the Western United States wanting to help, even adopt children. But despite this outpouring of compassion by the American people, all he gets in Washington is, "No way. There is nothing that can be done." Why is he running into this problem if we are trying to help?

THE PRESIDENT. Well, having had some experience in the past with the Federal bureaucracy when we had a similar problem involving Korean orphans, I understand the frustration and the problem.

But I am assured that all bureaucratic redtape is being eliminated to the maximum degree and that we will make a total effort, as I indicated in my opening statement, to see to it that South Vietnamese war orphans are brought to the United States.

Q. Do you think something can be done before it is too late for many of them?

THE PRESIDENT. I can only say we will do what has to be done, what can be done, as a practical matter. I cannot guarantee that every single South Vietnamese war orphan will get here, but I can assure you that we intend to do everything possible in that humanitarian effort.

INFLATION

[5.] Q. Mr. President, the Gallup poll shows that a very healthy majority of the American people, 60 percent of the American people, are more concerned about the high cost of living than they are about any other issue, including the recession and international developments.

I would like to ask you, in view of that, if Congress does not respond to your repeated appeals to hold down spending and not exceed a level that would produce a deficit of \$60 billion, if they don't do that, and Government borrowing increases to cover the deficit, do you have any plans—is there anything you plan to do beyond just these appeals to Congress to prevent a resurgence of inflation?

THE PRESIDENT. Well, as I clearly indicated last Saturday night when I approved the Tax Reduction Act, I have drawn the line on additional Federal spending. That is as far as we dare go. If we go beyond that, we amplify the potentialities for a resurgence of double-digit inflation. I intend to appeal to the

Congress to hold the lid, and I intend to appeal to the American people to get their Members of Congress—Senators and Congressmen—to stop coming to the White House with one spending bill after another.

In addition, I am asking the Congress to enact a provision that would make applicable for fiscal year 1976 the budget control act that was enacted last year by the Congress.

Under the present law, the budget control act, which forces the Congress to set a ceiling, does not actually come into effect until fiscal year 1977. It seems to me in the crisis that we face today, that the Congress ought to amend the budget control act and make it applicable to fiscal year 1976, so they will impose on themselves—the individual Members of Congress, House and Senate—a spending limitation.

Now, they are going through sort of a practice session on it. I wish they would abandon the practice session and get down to the ball game and they, themselves, set a spending limit at the level that I indicated.

Q. What I am asking, Mr. President, is if you have any strings to your bow other than these Congressional strings? In other words, what I am asking you is, do you plan any executive action to try to curb a resurgence or prevent a resurgence of inflation?

THE PRESIDENT. Well, the executive actions will be directives to the various departments of the Government to limit their spending even within the appropriated amounts that Congress has made available.

We are expecting every department to spend as little as possible to carry out their programs or their mandates, and this includes holding the line on Federal personnel; it includes the limitations on spending for anything that cannot be justified. Under the law, that is the maximum that I can do in an executive capacity.

PRESIDENT THIEU OF THE REPUBLIC OF VIETNAM

[6.] Q. Mr. President, if it would alleviate the refugee problem in South Vietnam and bring about something of a temporary cease-fire, would you urge President Thieu to resign?

THE PRESIDENT. I don't believe that it is my prerogative to tell the head of state elected by the people to leave office. I don't believe whether it is one head of state or another makes any difference in our efforts to help in the humanitarian program.

We are going to carry it on, I hope, with the full cooperation of the South Vietnamese Government. And I don't think it appropriate for me to ask him,

under these circumstances, to resign. And I don't think his resignation would have any significance on our humanitarian efforts.

VIETNAMESE REFUGEES

[7.] Q. In that regard, are there any plans underway by the U.S. Government to accept large numbers of Vietnamese refugees in this country other than the 2,000 orphans that you have talked about?

THE PRESIDENT. Well, under existing law, action by the Attorney General can permit refugees who are fleeing problems in their own country to come to the United States. This authority was used after World War II. This authority was used after the Hungarian invasion by the Soviet Union. This authority has been used on a number of other occasions. I can assure you that that authority is being examined, and if it will be helpful, I certainly will approve it.

RECESSION

[8.] Q. Mr. President, what is your judgment now on when you expect the recession to end and recovery to begin? Is it the third quarter of this year, or will it be later?

THE PRESIDENT. Our best judgment is that the recession will turn around during the third quarter of this calendar year. We are already seeing some significant changes in the statistics that give us more certainty that the recession will end and that economic recovery will begin in the third quarter of this calendar year.

Q. Could you tell us what those signs are, please, sir?

THE PRESIDENT. Yes. The latest report shows that there has been an increase in the ordering of manufactured goods—the first time, I think, in 6 months that there has been an increase rather than a decrease.

Interest rates are dropping; more money for borrowers is being made available. The inflation is receding, or at least the rate of inflation is receding. As of the last report, it would annualize at about 7.2 percent, contrasted with a 12- or 13-percent rate of inflation in 1974.

When you add up all these various economic indicators, it does show that the recession is receding and that economic conditions will get better in the third quarter of 1975.

FEDERAL SPENDING AND THE 1976 CAMPAIGN

[9.] Q. Mr. President, in line with the spending question, last year when you campaigned in California, you asked voters to help defeat the big spenders

in Congress, and if they happened to be Republicans, well, so be it. Do you plan to use the same philosophy in campaigning next year and to the extent that you will openly campaign against Republicans whose philosophies or policies may contradict yours? And if so, how does this sit with your statement that the Republican Party is broad enough for all views?

THE PRESIDENT. I expect to be campaigning very hard for my own reelection—or election in 1976. I will, of course, urge that voters in every State support those candidates who believe as I do that we have got to hold a line on and restrain excessive Federal spending.

My enthusiasm for an individual candidate will, of course, depend upon his strong support for my policy of fiscal restraint, but I am not going to pass judgment today on individuals, whether in one party or another.

Q. Does this mean then that there is a possibility that during that campaign you could come out openly in support of a Democrat as opposed to a Republican?

THE PRESIDENT. I believe in the need for the country to have individual Members of the House and Senate who believe that these massive Federal spending programs are bad for America.

And I certainly will look with favor on anyone who believes as I do that we cannot spend ourself into prosperity, a tax cut approach is a far better way, and that massive spending programs are not good for America.

CRIME AND LAW ENFORCEMENT

[10.] Q. Mr. President, you now head an Administration which came to power on a strong law-and-order platform, but the crime rate since 1969 has done nothing but go up, and the statistics include crimes at the highest levels of government.

And my question is whether you think it would be fair for the Democrats to charge that this Administration is soft on crime, or at least is incapable of dealing with the problem.

THE PRESIDENT. Well, unfortunately for the country, the crime rate has been increasing for the last 10 or 15 years, whether it was under a Democratic administration, under President Kennedy or President Johnson or, except for, I think, 1 year under the former President, the crime rate has been going up.

I don't think it is a partisan issue. It is my judgment that we have to maximize our effort—the Federal Government, State government, and local units of government—to try and have proper enforcement of the law, which includes the prosecution of people who violate the law.

I can only assure you that to the extent that the Federal Government can do something about it, we, this Administration, will do it. The facts of life are that most law enforcement is the local responsibility.

Through the Law Enforcement Assistance Act, the Federal Government has been spending for the last several years around \$800 million to help local units of government, State units of government in the upgrading of their law enforcement capability—helping police departments, helping sheriffs' departments, helping the courts—and will continue to do it. But the principal responsibility rests at the local level.

Q. Will you be able to spend any more money, under your proposition that the line has to be drawn somewhere, on fighting the crime problem?

THE PRESIDENT. I think in the budget that I submitted there is ample money for a Federal effort to carry out the Federal role in the area of law enforcement.

PRESIDENT'S WAR POWERS

[11.] Q. Mr. President, you spoke a few minutes ago about being frustrated by the limitations of the War Powers Act. If it were not forbidden now, would you like to send American planes and naval forces and possibly ground forces into Vietnam to try to turn the situation around?

THE PRESIDENT. I have said that there are no plans whatsoever for U.S. military involvement in Vietnam. On the other hand, I think history does prove that if a Chief Executive has a potential, it, to some extent, is a deterrent against aggressors.

Q. So, that is your frustration—because you do not have that power to at least threaten the possibility?

THE PRESIDENT. I did not use the word "threat." I said the potential for power, I think, over the years has indicated that that potential is a deterrent against aggression by one country against another.

1976 PRESIDENTIAL CAMPAIGN

[12.] Q. Mr. President, in view of the possible primary entries by Governor Reagan and perhaps Governor Thomson of New Hampshire, would you be good enough to discuss your own timetable? When will you set up your committee, specifically, and can you also tell us, do you plan to enter any primaries yourself or through a stand-in candidate?

THE PRESIDENT. We have not defined our precise timetable nor our precise plans for the pre-convention campaign. We are in the process of putting together our timetable and our plan. I have said repeatedly that I intend to be a candidate,

but I have made no categorical announcement to that effect. But the matter is not being neglected.

WARREN COMMISSION REPORT

[13.] Q. Mr. President, in light of current concerns regarding the assassination of President Kennedy and the recent showings of the Zapruder films, do you still have the same confidence in the finding of the Warren Commission that you had as a member of that Commission?

THE PRESIDENT. I think you have to read very carefully what the Warren Commission said. And I, as a member of the Warren Commission, helped to participate in the drafting of the language. We said that Lee Harvey Oswald was the assassin. We said that the Commission had found no evidence of a conspiracy, foreign or domestic. Those words were very carefully drafted. And so far, I have seen no evidence that would dispute the conclusions to which we came.

We were most careful, because in 1963 and '64, when we most carefully analyzed all the evidence available, there was none of the involvement of anybody—or anybody as a group—in the assassination.

It is my understanding that the Rockefeller Commission may, if the facts seem to justify it, take a look at it—at the problem—and I suspect that the House and Senate committees that are currently investigating CIA history may do the same.

But the Commission was right when it made its determination, and it was accurate, at least to this point—and I want to reemphasize that—as to the evidence that we saw.

VIETNAM CONFLICT

[14.] Q. Mr. President, some people are saying this week that despite all our massive aid in Vietnam and all the lives that were lost there, that the whole thing has come to nothing. Now, how do you feel about this, and do you think there is any lesson to be learned in what has been happening over there?

THE PRESIDENT. I believe that the program of the previous four or five Presidents—President Kennedy, President Johnson, President Nixon, and myself—were aimed in the right direction, that we should help those people who are willing to fight for freedom for themselves.

That was a sound policy. Unfortunately, events that were beyond our control as a country have made it appear that that policy was wrong. I still believe that policy was right if the United States had carried it out, as we promised to do at the time of the Paris peace accords, where we promised, with the signing of the

Paris peace accords, that we would make military hardware available to the South Vietnamese Government on a replacement, one-for-one basis. Unfortunately, we did not carry out that promise.

Q. Well, are you blaming Congress for this, then?

THE PRESIDENT. I am not assessing blame on anyone. The facts are that in fiscal year 1974, there was a substantial reduction made by the Congress in the amount of military equipment requested for South Vietnam.

In fiscal year 1975, the current fiscal year, the Administration asked for \$1,400 million in military assistance for South Vietnam. Congress put a ceiling of \$1 billion on it and actually appropriated only \$700 million.

Those are the facts. I think it is up to the American people to pass judgment on who was at fault or where the blame may rest. That is a current judgment.

I think historians in the future will write who was to blame in this tragic situation. But the American people ought to know the facts. And the facts are as I have indicated.

I think it is a great tragedy, what we are seeing in Vietnam today. I think it could have been avoided. But I am not going to point a finger. The American people will make that judgment. I think it is more important for me and the American people and the Congress, in the weeks and months ahead, to do what we can to work together to meet the problems of the future.

And that is what I intend to do, and I will go more than halfway with the Congress in seeking to achieve that result. I think we have the capability in America. I think we have the will to overcome what appears to be a disaster in Southeast Asia. To the extent that I can, I hope to give that leadership.

Q. Mr. President, regardless of what caused it, it seems apparent that for the first time in our Nation's history, the enemy is about to win a war where Americans fought and died. Do you think that those 55,000 lives were wasted?

THE PRESIDENT. I do not think they were wasted, providing the United States had carried out the solemn commitments that were made in Paris at the time American fighting was stopped in South Vietnam, at a time when the agreement provided that all of our troops should be withdrawn, that all of our POW's should be returned. If we had carried out the commitments that were made at that time, the tragic sacrifices that were made by many—those who were killed, those who were wounded—would not have been in vain. But when I see us not carrying through, then it raises a quite different question.

Q. Is that a yes, then, sir?

THE PRESIDENT. I still think there is an opportunity to salvage the situation in Vietnam, and if we salvage it, giving the South Vietnamese an opportunity to

fight for their freedom—which I think they are anxious to do if given an honest opportunity—then there was not a sacrifice that was inappropriate or unwise.

FOREIGN POLICY

[15.] Q. Good afternoon, Mr. President.

THE PRESIDENT. Good afternoon.

Q. In a speech you are going to deliver here in San Diego this afternoon,² you warn against fatalism, despair, and the prophets of doom. And yet, as I look back over the past 8 months or a year—and I don't mean to suggest that these are in any way your responsibility or fault—I have a laundry list which cites Portugal as having a leftist government, raising serious questions about its future in NATO; Greece and Turkey are at each other's throats, threatening the southern flanks of that alliance; we are familiar that Secretary Kissinger's mission failed in his peace talks with Egypt and Israel; and we don't need to rehash the situation in Cambodia and South Vietnam.

That being the case, sir, how can you say that the world outlook—and particularly as you address it in your speech next week on the state of the world—is anything but bleak for the United States, when many of the minuses which I cited are actually pluses for the Soviets?

THE PRESIDENT. Well, the speech that I am giving to Congress and to the American people next week will deal with many of the problems that you have raised. I think we do face a crisis. But I am optimistic that if the Congress joins with me, and the American people support the Congress and me, as President, we can overcome those difficulties.

We can play a constructive role in Portugal, not interfering with their internal decisions—but Portugal is an important ally in Western Europe.

We can find ways to solve the problem in Cyprus and, hopefully, keep both Greece and Turkey strong and viable members of NATO.

We can, despite the difficulties that transpired in the Middle East in the last several weeks, find a way to keep a peace movement moving in that very volatile area.

It may mean—and probably does—that we will have to take the problem to Geneva. I would have preferred it otherwise. But the facts are that if Congress and the American people and the President work together—as I expect they will—then, in my judgment, those disappointments can become pluses.

Q. But, sir, can you cite any specific reasons for the optimism you express?

THE PRESIDENT. The historical character of the American people—that is the

² See Item 167.

main ingredient that, in my judgment, will take America from the disappointments of the present to the optimism of the future.

FRANK CORMIER [Associated Press]. Thank you, Mr. President.

THE PRESIDENT. Thank you very much.

NOTE: President Ford's twelfth news conference began at 12:01 p.m. in the Silver Room at the San Diego Convention and Performing Arts Center, San Diego, Calif. It was broadcast live on radio and television.

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Remarks at the White House Conference on Domestic and Economic Affairs in San Diego, California. April 3, 1975

Thank you very much, Bill. Congressman Burgener, Congressman Van Deerlin, Congressman Bell, Mayor Pete Wilson, Mr. Cox of the San Diego Chamber of Commerce, and Mr. Henning of the AFL-CIO, heads of the many other co-sponsoring organizations that have made this possible, ladies and gentlemen:

It is really a great privilege and honor for me to have the opportunity of joining in this obviously very successful conference.

I am especially delighted to be here again on the beautiful shores of San Diego Bay—can I say this? I mean it—America's cleanest bay in terms of size and traffic. I am especially pleased, because this is a showcase of what Americans can do on a local level to solve problems and to respond to the future with creativity and with confidence.

San Diego has demonstrated, Mayor Wilson, that environmental quality is good business, and I commend your carefully managed residential growth. San Diego, as I see it, is truly a city on which others could be modeled.

I am especially proud, however, of the role of the United States Navy as a good citizen in San Diego. I am proud of that role and I am proud of the contributions that the Navy makes. Obviously, all of you know that the naval installations here are among the greatest in our total Navy complex. I pledge to you today, as one who once sailed from here in World War II, that I remain committed to a Navy second to none in readiness, capability, and dedication to our Nation's highest ideals.

I know, of course, that the concerns of this area go far beyond your vital Navy installations. Too many Americans are without employment. Prices and taxes are far too high. New sources of energy are absolutely essential.

I also know that local problems are best solved by local people. This Administration responded to your pioneering of growth management strategy to preserve

the residential environment. The Department of Housing and Urban Development has just approved San Diego's application for \$9.1 million under the historic new community development block grant legislation. And an hour or so ago I gave Mayor Pete Wilson the actual documents to know that he has got it in hand. I don't know what he has done with it, but he had it. [*Laughter*]

This confers upon San Diego the distinction of being one of the very first major cities to receive such assistance. Your able mayor and my good friend, Pete Wilson, tells me that one of the ways that this grant will be used is to speed economic development by attracting new businesses and industries into the San Diego area.

Funds from this new block grant approach are available for the first time to prepare sites and, together with on-the-job training programs of the Department of Labor, offer an extra inducement for new enterprises to locate in your already world-renowned climate.

This kind of local initiative and planning, as well, proves we are on the right track with block grants instead of trying to run everything from Washington, and demonstrates my firm conviction that the best features of community development should neither be sacrificed in the current economic climate, nor stifled by Federal redtape.

San Diego—I know from my many conversations with your several Members of the Congress, as well as by numerous visits to this great area—San Diego is a showcase of the good neighbor policy. The nearby Mexican border is the busiest international crossing in the world, making this a gateway city with a unique challenge. San Diego and Tijuana share the same air and water and seek joint efforts, joint solutions to problems that cross national boundaries.

I commend Fronteras 1976, the San Diego community's Bicentennial project, jointly sponsored by the city and University of California at San Diego. This project that I have looked at and heard about will advance regional and international understanding, demonstrating to the world, as I think we must, the potential of creative cooperation and interdependence among sovereign nations.

Serious problems confront the American people at home. Yet unemployment and the growth of the economy, as well as our national security, are directly related to the relations with the rest of the world.

In recent weeks we witnessed, unfortunately, discouraging and tragic events in the Middle East, on which we depend far too much for our energy needs. These developments dramatized the urgency of moving ahead in San Diego and throughout America with constructive action to make this Nation independent of foreign sources of energy.

Today, in the presence of three of my former colleagues, I renew the challenge to the Congress to enact before May 1 of this year a comprehensive energy program. It is essential to our national security, and it is more essential today than it was in January, when I proposed it.

The facts are, we can afford no more delays. I am an optimist. I think the Congress will do it. I would not be frank and honest with you if I were to ignore the serious setbacks we have suffered in very recent weeks in our quest for peace in the Middle East and, more recently and more dramatically, in Southeast Asia.

Even as I speak, the dimensions of the human catastrophe in Southeast Asia increase. Whether from your evening news shows or morning headlines or from my top secret reports, which I receive on a daily basis, it is impossible not to be moved and shaken by the sudden and tragic developments in South Vietnam. All Americans, regardless of how they may have felt in months or years in the past, are shocked and saddened and wondering what we can do.

First, we are taking all the humanitarian measures we can to relieve the innocent civilian refugees in South Vietnam, whose plight touches the hearts of all Americans. At the same time, we are providing for the safety of all Americans who, from a deep sense of duty, might be endangered by swift changes in the battle zone.

Second, as the Congress returns next Monday and I have an opportunity to address them, I will ask the Members of Congress for a firm American commitment to humanitarian assistance for the helpless victims of North Vietnamese aggression in flagrant violation of the Paris accords, accords which sought to end the suffering and bloodshed on a civilized basis.

Finally, I must say with all of the certainty of which I am capable: No adversary or potential enemies of the United States of America should imagine that America can be safely challenged, and no allies or time-tested friends of the United States should worry or fear that our commitments to them will not be honored. The unfortunate confusion and changing situation in Southeast Asia should not give encouragement to our adversaries nor apprehension to our friends. We stand ready to defend ourselves and support our allies as surely as we always have.

As it always has, adversity is creating a new sense of national unity among Americans in these sad and troubled times. I will not engage in recriminations or attempts to assess the blame, nor should any of us. Not all of the facts are known. When they are, the American people will be the jury for the present and historians will write the story for the future. What is essential now is that we keep our nerve and our essential unity as a powerful but peace-loving Nation.

As President and Commander in Chief, it is my sworn duty to maintain and strengthen the power for peace which the United States possesses, both at home and abroad. The military strength of this Nation depends, as it always has, on its economic strength and the willpower and self-discipline of all of its people.

The credibility of the United States, our credibility throughout the world, both among our allies and our adversaries, depends upon their assessment of our moral, economic, and military strength and staying power. All of these elements are extremely essential.

Let me consider briefly the problems of ensuring and increasing our economic strength. In this, the obvious priority is to get out of the recession we have been experiencing and, particularly, to increase employment and to get the jobless back into productive jobs. That is our highest priority.

But along with that urgent goal goes another priority—less obvious to some—which is to end the recession without adding unnecessarily to the inflationary pressures which have plagued us for many years prior to the recession and which, quite frankly, helped to bring it on. We must make more jobs and reverse the recession without recklessly inviting a new round of double-digit inflation, rising interest rates, and higher prices, which we all know, in the long run, would cancel out whatever stimulus and expansionary incentive we can apply to the economy in the short run.

That is why I am personally determined to hold the line on all massive Federal spending programs which are in various stages moving through the Congress. That is why I have drawn the line at a maximum budget deficit of \$60 billion, which is where we stand at the present time, and it is as far as we dare to go without endangering economic recovery.

I am gratified that many of the responsible Members of the Congress, House and Senate, on both sides of the political aisle, have spoken out publicly of the danger of more massive Federal deficits. Not merely the Administration but the country needs their help and will need their votes when the showdowns come. But I have no wish to wage a veto war with the Congress. Quite frankly, we have enough real wars and rumors of wars without getting into one of those.

What I would prefer is for the Congress to exercise its constitutional power of the purse with the responsibility and prudence that the people expect of it. Congress must cut rather than spend. It must reduce existing programs instead of creating new ones. As I look at the horrendous figures, Congress cannot go on giving away more and more Government benefits without considering how to pay for them and the damage that will be done by borrowing to pay for them.

When the American people individually and collectively all over the country

are tightening their belts to get through the worst recession of recent times, caused in large part by decades of deficits and ever-growing governmental programs, the Congress should not ask them to suffer consequences of more of the same fiscal folly.

I would like the Congress to fix an absolute ceiling on Federal spending for the coming year, the ceiling where I draw the line. To do this effectively and with meaning, the Congress must go one step further.

Here is my suggestion: You have got three fine Members of Congress here. Put the already enacted procedures of the Congressional budget and impoundment act of 1974 into effect a whole year ahead of schedule, starting this July 1.

Under the current circumstances, when the legislation was passed last year, it was expected that it would not go into effect until fiscal year 1977, and that during this interval between last year and a year and one-half from now, there would be sort of a practice run.

I think the urgency of Congressional action to establish a ceiling and to orient priorities requires that Congress do it this year. We don't need a practice session; we need full participation in the ball game, and I hope and trust that Congress will do that. That will be the best evidence that I know of their total dedication to handling your tax money or the Government's borrowing in a responsible way.

Now, in the face of a huge deficit that could reach \$100 billion if my budget is overridden, it is hard for me to see how the Congress can refuse to move up the implementation date of the budget and impoundment act of 1974. Excessive Federal spending for years has fueled the fires of inflation and imposed the unfairest tax of all on the American people, robbing retired people of their pensions, the elderly of their social security, the hard-working majority of their paychecks' full value in the supermarket.

Runaway inflation can ruin the production growth and essential strength of the free enterprise system and cripple our entire American economy. That is why my economic policy recommendations contain two elements, each one of them essential to its success: one, a quick, one-time tax cut to stimulate buying power and new development by business in job-producing expansion; the other, spending cuts and a 1-year moratorium on new spending by the Government, except for energy and emergency needs. Federal tax cuts alone will not work without simultaneous Federal spending restraints.

I am deeply concerned, quite frankly, that some elements of the Congress will try to pay for additional spending programs by dangerously stripping billions

from the defense budget. At a time like this, nothing could be more shortsighted or devastating to our security.

Individually, many of the domestic spending programs proposed in the Congress have most attractive aspects. They provide help for some worthy group. It is hard for Members of Congress to oppose those programs. It will be very, very hard for me to veto them if Congress enacts them. But it is not the individual programs that are unacceptable, but the sum total of them, adding up easily to \$30 billion or more to bring the deficit into the \$100 billion area.

Defense spending on the other hand provides no benefits, except the most precious benefit of all—the freedom of our country and the last hope for peace in the world.

As President Eisenhower so wisely observed, only the strong are free. Certainly, we have ample reason to believe this truth today. My budget recommendations for national defense are the minimum, I believe, essential for our safety.

It is now a popular idea that because Americans are not fighting anywhere, because we are seeking to broaden every avenue of peace, that we can expand social benefit programs and pay for them out of defense cutbacks. Simple arithmetic proves otherwise. I have seen careful mathematical projections that show if welfare and other transfer payments continue merely at their present rate of growth, about 9 percent annually for the past 20 years, half of the American people will be living off the other half by the year 2000.

Except for vastly increasing taxes on those who work, the only way such payments can be continued indefinitely is to take them away from our national defense. Other super powers, I can assure you, are doing nothing of that kind.

I pledge to you today that I will resist stripping America's defense capability in every legal way available to me. But if the men and women you send to the Congress fail to face up to these inescapable realities, refuse to accept the balanced judgment of their own new budget committee which has been set up to enforce the same overall limitations that I had to work with, then—and this is hard to believe, but it mathematically works out—by simple arithmetic, it will only be a few short decades before our defenses will be down to a single soldier with a single rifle with a single round of ammunition.

That is not good for America and freedom throughout the world. Frankly, I don't think that is going to happen, because I have more faith than that, that America won't tolerate it—and I mean the 213 million Americans of all faiths, all political parties, all backgrounds, and so forth.

My former colleagues in the Congress know I have always been an optimist, and whenever I can get away from Washington and see Americans as they

really live and work and play and plan for their children, my sense of what is right with our country is recharged and reinforced.

I am very pleased to be here today in what I have found to be an optimistic atmosphere and problemsolving climate of southern California, and I am delighted to be among people with great experience and great courage in building a great part of our country.

Many of the heroic POW's who were liberated from North Vietnam are here in San Diego. They know the need for an orderly and peaceful world. They also know—as men who lived on the brink of doom—the danger of pessimism. They know that the objective facts are not as bad as a mood of frustration and futility to which some of our countrymen are tempted to succumb.

Today I want to appeal to the common sense and the courage of the American people. This is not a moment for despair or for fatalism. Obviously, it is not the time to dismantle our defense capability—and I say with emphasis—including our intelligence capacities.

We will go on helping people to help themselves. It is in keeping with our religious heritage, our decency, and our own self-interest. We will preserve partnerships with people striving for freedom on a global basis.

I reject the prophets of doom who see nothing but depression at home and despair abroad. I will reject any advice to pull down the Stars and Stripes and sail home from the seas of the world to the safe anchorage of San Diego Bay. If we do so, this anchorage will no longer be safe. You know it and I know it.

Under my Presidency, we will neither furl the flag nor abandon hope. We will maintain constancy and credibility of American foreign policy, both at home as well as abroad. We are living, obviously, in a complicated and troubled time. Events are moving very rapidly, but we will not withdraw inward nor surrender to a state of shock.

America, at this hour, is being put to a test. It is not just a test of our moral authority in the world; it is a test of our will to develop our own energy resources, to reduce bureaucratic waste, to preserve our dollar by guarding against non-essential spending with the same vigilance that we continue the watchfulness and strength of our Armed Forces. It is a test of our will to provide for the economic security of our families while reassuring the military security of our Nation.

We can meet this test only by reducing vulnerability to weaknesses in our economy and energy capacities. That is why an adequate security program goes hand-in-hand with sound economic policies and prompt, effective energy legislation.

America has the will, America has the resources, America has the know-how, and America has the faith.

I share—as I look around this room—your belief in America. If you despaired of this Nation and its future, you would not be here today. Together, with the millions like you all over this great country, we will build a new and better tomorrow.

Thank you very much.

NOTE: The President spoke at 5:07 p.m. in the International Room at the El Cortez Hotel and Convention Center. He was introduced by William J. Baroody, Jr., Assistant to the President for Public Liaison.

In his opening remarks, the President referred to Lawrence W. Cox, president of the San Diego Chamber of Commerce, and John Henning, executive secretary-treasurer of the California Labor Federation, AFL-CIO.

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Statement on the Crash of a C-5A Cargo Plane on a Mercy Flight From Saigon, Republic of Vietnam. *April 4, 1975*

I AM deeply saddened at the loss of so many lives in the crash of the United States C-5A mercy flight today near Saigon.

I wish to convey my heartfelt condolences to the families and friends of the victims, many of whom were coming to new homes in the United States, and to the volunteers who were caring for them on the flight.

Our mission of mercy will continue. The survivors will be flown here when they are physically able. Other waiting orphans will make the journey.

This tragedy must not deter us from offering new hope for the living. The Government and people of the United States offer this hope in our rededication to assisting the Vietnamese orphans as best and as quickly as we can.

NOTE: The statement was released on board Air Force One en route from Palm Springs to San Francisco, Calif.

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Address in San Francisco Before the Annual Dinner Meeting of the Bay Area Council. *April 4, 1975*

Thank you very much, Gene. Mayor Joe Alioto, distinguished guests, members of the Bay Area Council:

It is really a great privilege and a very high honor to have the opportunity of meeting so many of you tonight and, particularly, the opportunity to express

a few views and say a few words to all of you this evening. For that, I am deeply grateful.

I have done a little studying about the Area Council, and I found that for the last 30 years, you have been leaders in preserving the economic, social, civic, environmental integrity of this great area of the State of California. And the outstanding success of your efforts can be applauded by both resident and visitor alike, and as a visitor, I certainly do.

On behalf of all of you, I thank you most sincerely for the generation of achievement. Frankly, it never takes very much persuading to get me to come to the Bay Area, a region of infinite charm and boundless beauty.

If I might reminisce a bit about two experiences that I will never forget. Forty years ago—January 1, 1935—I was honored among a good many others to play the Shrine East-West football game out here in Kezar Stadium. As a matter of fact, I played 58 minutes because we did not have any other center. [Laughter]

But nevertheless, I will never forget coming in on the train from Chicago, getting ready for the game. And we pulled up on the dock over here—I guess it was Oakland or someplace, I can't remember. [Laughter]

I was 21 years of age and had not been out of Michigan very much. We took the ferry boat across the bay, and now you have got a great Bay Area transportation system that, I suspect, the people who come out here in the future, as I did, won't have to take that ferryboat like I did.

But I think the experience of coming to a great metropolitan area for a young, very unsophisticated senior of Michigan left an indelible impression on me.

Then, in 1945—roughly 10 years later—I came back from overseas, as many in this audience did, in the Pacific, and I had the privilege of being in this area for roughly 3 months on the way to getting back to civilian life. And the experiences that I had, the friends that I made during that period of time, also wrote an indelible impression on me, and I thank all of you and those that preceded you for what you have done in trying to make, at least myself, a broader person. And I am deeply grateful.

Obviously, you can tell it is a delight for me to be in the San Francisco Bay Area. It is a city that glistens in sunlight and sparkles at night; where life has style and style has life. Even the commonplace becomes an adventure.

All I can say is, if Tony Bennett ever wants his heart back, I have got one to replace it. [Laughter]

When I was talking to Gene and Tom¹ up here, and I am sure all of you

¹ Eugene E. Trefethen, Jr., chairman, and A. W. Clausen, past chairman of the council.

as well as they know the Bay Area has experienced, over history, great adversity. This month marks the 69th anniversary of the disastrous San Francisco earthquake. In 1906, San Francisco was challenged and passed the ultimate test of its recuperative vitality. Local courage and local determination prevailed. The Bay Area now offers the world an international center that represents the best of what Americans can do.

Your council is typical of the genius and the energy that personify the state of mind that is San Francisco and the Bay Area. You are a consistent, constructive force in the nine counties in this great part of California. You act, as I understand it, not as self-interested individuals, but as a community seeking the improvement and the progress of a region. Your region is a great source of America's pride.

I commend you for this demonstration of Bay Area willpower and Bay Area know-how. I commend you for the success of decisionmaking processes on a local level. The magic of San Francisco and the Bay Area was not conjured up in the bureaus and agencies of the Federal Government. It developed spontaneously right here on the shores of the San Francisco Bay. It emerged from the people, from your optimism and your vision.

The Bay Area is a showcase of what can be achieved by returning the decision-making processes to the people. Our economy no longer can afford the waste, duplication, and misunderstandings that occur when a Federal Government tries to do for the local people what they can best achieve for themselves.

Only this morning, in spite of a small snowstorm, I had the privilege of visiting by helicopter the fascinating geothermal power development at the geysers.² Fred Hartley and Sherm Sibley³ and others were my hosts, and I am deeply grateful to them. They explained how this natural steam from inside the Earth already supplies a significant share of the Bay Area's energy needs, saving millions and millions of barrels of oil imported from foreign sources, millions of dollars of foreign payments.

Government's role in this promising new energy development, I was told—and I hate to admit it—has mostly been one of obstructing faster development. I, for myself, to the extent that I have any authority—I sometimes wonder—[laughter]—I promise to take care of the Federal Government's share of the redtape. I just came, a few hours ago, from a meeting with a number of Western

² The President visited "The Geysers" geothermal power field in Sonoma County, Calif.

³ Chairman of the board and president of Union Oil Company of California, and chairman of the board of Pacific Gas and Electric Company, respectively.

Governors, where I asked Governor Brown to join me in cutting California's share of that redtape. I think I got a firm promise.

Geothermal power discoveries in other parts of the West could be a major breakthrough, whether it is in New Mexico, Nevada, or other places in our race for energy independence.

But let me turn, if I might, to a somewhat different subject. A criticism I made of the tax reduction bill, which I signed last Saturday, was that it failed to give adequate relief to the millions and millions of middle-income taxpayers who contribute the biggest share by far of Federal taxes.

Most people do not understand the significant portion of our total tax payments from individuals comes from the middle-income group—schoolteachers, firemen, policemen, professional people, working people, construction, production line people in unions and otherwise.

These are the people that pay the most in Federal personal income taxes. It was my fear then, and it is tonight, that if we don't give some recognition to their contribution, that their initiative will be punished and the lack of initiative rewarded.

If an emerging philosophy of taxation will develop, known as income redistribution, will prevail, frankly, it is my judgment if this does happen—penalizing the middle-income group and redistributing their initiative to those that are not in that category—it could very well take the freedom out of the free enterprise system.

What incentive, for example, will remain for upward bound people to improve their status if they are assessed an undue proportion of Federal taxes?

We must, of course, help those least able to help themselves. But I cannot conceive of an America in which half the Nation produces nothing and the other half is expected to provide a free ride. Yet, that is the inevitable result by the year 2000—not too far away, just a quarter of a century—if we continue the present pace of escalating social spending. It is my strong conviction that we must put a curb on these transfer payments, or what the technicians call income supplements. I think we have to do it now.

I will never forget, if I might digress a moment, over the 25 years that I had the privilege of serving in the House of Representatives—and it was a great privilege—of sitting and listening to the debate when strong, well-motivated Members of the House of Representatives would get up and argue effectively and convincingly and certainly in the highest motivation for this social program or that social program. Pretty soon, we started to have this proliferation, and

believe me, it has proliferated. But in the process, we had more and more Federal employees and we had more and more Federal regulations.

I recall most vividly sitting there on many occasions and thinking to myself, don't they realize that a government big enough to give us everything we want is a government big enough to take from us everything we have? That is so true.

But in the process of trying to take a look at some of our Federal spending problems, I want to assure to you that I am determined to stop the inflationary impact of runaway spending.

But in the process of trying to achieve that result, I prefer conciliation with the Congress. But as I said last Saturday in the remarks that I made to the American people, I must draw a line at a fiscal 1976 deficit of \$60 billion. That figure shocked me, as I am sure it shocks you. But the alternative that is inevitable if we don't show some restraint and good judgment is that it will be not \$60 billion, but 75, 90, or \$100 billion. That is the choice.

Now, I was encouraged to hear the distinguished chairman of the Senate Budget Committee, Senator Muskie, warn that a deficit of \$100 billion might ensue if brakes are not applied by the Congress. I applaud him and others, regardless of political affiliation, who feel that we are facing a crisis. I think we are.

Fortunately, our system is flexible and strong enough to work under great stress. But the growth of some of these social assistance programs must remain in a context that we can manage and not enter a new dimension that manages us.

An example of how spending undermines a viable society can be seen in one of our great allies, Great Britain. They are striving to stop the momentum. But let me assure you, I don't want—and I am sure you don't want—to see the United States, at some future date, in the same situation.

Now, in the struggle to preserve a free economy, individuals, not special interest groups, will be the real allies. I refer to individual workers and individual professional people. And I am confident that American individualism, regardless of one's status in life, will rise to that challenge.

I happen to deeply believe in the concept of decentralization of government power in providing wider discretionary accountability to locally elected officials and their constituencies.

An example, of course, is the concept of what the good mayor and I know as general revenue sharing. He and his fellow mayors worked with Governors and us in the Congress to approve this legislation which, for the first time, gave to local units of government and to the States Federal funds taken from tax-

payers at the local level—money to be used at the local level with the discretion of locally elected officials.

I am proud of the fact that the legislation was enacted—was it 1972, Joe?—and to report to you that the payments to the San Francisco Bay Area from the inception of general revenue sharing, including checks now in the mail—Joe?—[*laughter*]*—total well over one-quarter billion dollars.*

The region, of course, to which I refer includes the county governments and local governing bodies in the nine-county Bay Area. The total taxes returned by Washington to the people of these counties is some \$271,615,000. Pretty precise, but I think it has been money well spent.

Fortunately, this money translates into a variety of community programs planned by local people to fill local needs—the city of San Francisco, for instance. General revenue sharing funds provided kitchens to feed schoolchildren and rehabilitation of your playgrounds.

In Oakland, revenue sharing funds are used to pay the salaries of your city firemen.

Santa Clara County has put its share into a new public park. These are decisions by the locally elected officials, people you either elect or defeat.

The city of Santa Rosa buys gasoline to transport handicapped citizens to the doctor.

San Mateo County provides a health care demonstration project, a rehabilitation program for drug users, a treatment facility for alcoholics, a subsidy to hospital outpatients unable to pay medical costs.

Contra Costa County designated its revenue sharing funds to cover part of the costs of the Bay Area sewer services agency.

And an extensive social service program is conducted by this money in Alameda County. It includes job training for welfare recipients, aid to the mentally retarded, vocational rehabilitation of ex-convicts, legal aid and emergency services to minority groups, suicide prevention activities, and other similar programs to help people help themselves.

The point that I think is important as you go through the nine counties and communities in the Bay Area, those decisions were predicated on what their locally elected officials thought was most important, whatever they were, for those particular governing units.

The list looks good to me, but at least it is a locally decided decision. I think that is the best way for this kind of Federal aid to be spent, rather than by rigidly controlled and dictated Federal categorical grant programs.

Now, as Americans everywhere are showing new determination to help

themselves, I am glad to report that our economy is starting to show tentative signs that the worst may be behind us after too long a period of recession and inflation. This does not mean that all of our troubles are over. Obviously, a few flowers do not mean that spring has really come. Unemployment remains too high, and industrial production remains too sluggish.

Yet, this spring has brought some encouraging indications. There has been an easing in price increases suggesting quite specifically a lessening of inflationary tendencies. Interest rates have moved downward. Retail sales have held surprisingly well. Inventory liquidation has been moving very rapidly and beginning to show some leveling off. As this reduction progresses, production and employment will turn upward. My good friends in the automotive industry back in my home State, according to their production schedules, are looking a bit more optimistic. Thousands, in many areas of the country, of unemployed workers are beginning to be called back.

People are showing a new confidence in the future, and the reports from some of the survey organizations show that consumer confidence is beginning to turn in the right direction. And I am optimistic that we will lick the problem of an economic recession and soon be on the road on an upward basis.

Now, last year I recommended to the Congress, and later signed into law, two new measures that were essential and absolutely mandatory to aid unemployed workers. One of these measures provided up to some 13 additional weeks of benefits for individuals who tragically, for reasons beyond their control, were part of the unemployment compensation system. The second measure provided up to 26 weeks of special unemployment assistance to workers whose jobs had not been previously covered. Tragically, as we have moved through this very difficult economic period, people are beginning to exhaust benefits in both of these new programs.

Accordingly, I will recommend to the Congress, as soon as it returns from its recess, the following actions. I think they are needed and necessary as we begin to move on the upward part of the curve.

First, an additional 13 weeks of benefits to be made available to those individuals who have exhausted their present entitlement under the new Federal supplemental benefits program. This would raise the overall entitlement of most workers in the unemployment compensation system to a maximum of 65 weeks.

For the benefits of those 12 million individuals who had not been previously protected by the unemployment compensation program, I am proposing that the present 1-year, temporary program be extended until the end of '76.

Now, in the expectation that the economy will show improvement before the year is out, I will ask the Congress that these extended programs have a built-in procedure, which is vitally important to reduce or to terminate the program when the unemployment rate decreases to a specified level. This triggering device is absolutely important if we are to get rid of a program that was necessary during a recession but is unneeded when the economy has recovered. This procedure will concentrate the limited resources in those areas experiencing the greatest unemployment.

Speaking of unemployment, unemployment and the growth of our economy are directly related with our international relations.

In recent weeks we have experienced serious setbacks in our quest for peace in the Middle East and more recently, and more tragically, in Southeast Asia. Even as I speak this evening, the dimensions of the human catastrophe in Southeast Asia increase. I, I am sure, like you, have frankly been moved and troubled by the developments in South Vietnam and Cambodia. I believe all Americans, regardless of how they may have viewed the situation in years past, are shocked and saddened.

I am especially distressed, as I am sure you are, by the death of so many little children, for example, in the crash of the United States Air Force mercy flight. And I wish to convey my heartfelt condolences to the prospective foster parents and to all relatives and friends of the children and the dedicated American military and civilian men and women who died in that crash.

Many of the children were orphans on their way to new homes and to a new life in the United States. But let me assure you that our mission of mercy is going to continue, the survivors and other orphans will be flown to this great country. Out of this tragedy must come new hope for the living, and I am very, very confident Americans will join to help these Vietnamese orphans in the best and the very fastest way. I can assure you that we are taking all possible humanitarian measures to relieve the innocent civilian refugees in South Vietnam. We are also providing for the safety of all Americans in the battle zone.

When I have the privilege of addressing the Congress upon its return from the Easter recess, I will ask the Congress, in a joint session, for a firm American commitment to provide humanitarian aid to the helpless civilian refugees.

There is a special point I wish to emphasize tonight. Let no adversary or potential enemies of the United States imagine that America can be safely challenged, and just as importantly, let no allies or friends fear that our commitments will not be honored.

We as a great nation today stand ready to defend ourselves and support our allies, as surely as we always have, and as we always will.

In this hour of sadness and, I am sure, frustration, let us not dispel our energies with recrimination or assessments of blame. The facts, whatever they may be, will speak for themselves, and historians will have plenty of time to judge later on.

What is now essential is that we maintain our balance as a nation and as people and that we maintain our unity as a powerful but peace-loving nation.

While we have suffered setbacks, both at home and abroad, it is essential for Americans to retain their self-confidence and their perspective. And I, through you and others, appeal to all Americans to share my optimism in the future of the United States of America.

This, it is my judgment, is a time to return to fundamentals, to mobilize our assets, and to believe in the great capacities of America.

Let us not, in this time of travail, succumb to self-doubt and despondency. This obviously is not the point in history to dismantle our defenses, nor can we adopt such a naive view of the world that we cripple our vital intelligence agencies. I am convinced that America—[*applause*—I am glad you feel that way—those of us who believe that a strong intelligence community in the Federal Government is essential to the proper implementation and execution of foreign policy have not been too popular lately.

But let me assure you that Presidents in the past have made good decisions because we had a good intelligence community. And Presidents in the future, regardless of who that person might be, will make better decisions because we have a strong, wise, superior intelligence community.

Presidents have to have that information. So, I hope and trust that you express yourselves to those who may seek to destroy this great asset, because it is important to a President to have that kind of help and assistance.

Now, I am convinced that Americans are determined to go on helping people in less fortunate lands to help themselves. We retain our religious heritage, our decency as human beings, and our own self-interest.

Of course, those are the fundamentals. We will assist the refugees of Vietnam in any appropriate way, and we will not turn our backs on any other peoples who are victims of comparable disasters.

There are some who see nothing but a grim future of depression at home and disintegration abroad. I, I am sure, like you, reject that scenario. My vision is one of growth and development worldwide through increasing interdependence of nations of the world, including the United States.

My vision is one of peace, and my vision of America is of a people who will retain their self-respect and self-defense so that this vision can emerge.

During the period of my administration, Americans will neither resign from the world, nor abandon hope of peaceful and constructive relations with all people. That is the mission of America today and the one it must have for the future.

We will maintain credibility and constancy in all our policies at home as well as abroad. Obviously, we live in a complicated and a tense moment in world history. Events are moving with shocking speed, but we will not withdraw inward nor become paralyzed by a state of anxiety.

We have the world's greatest capacities, and we will mobilize them in the best American tradition. As I have said, I am an optimist. We can meet the test. It is not merely the latest test of our moral influence throughout the world. It is a test of our will to develop our own resources, to reduce bureaucratic waste, and to control nonessential spending with the same vigilance that we maintain the power of our defense force.

This task can be met only by reducing vulnerability to weaknesses in our economy and energy capacities. An adequate security program is directly dependent upon sound economic and energy policies.

In 1906, San Francisco survived doomsday. In 1975, some people may quake, but the earth will remain solid under our feet. The basic strength of America is unshaken. San Francisco is a showcase of a city that endured a disaster, but returned to a greater glory. America has suffered nothing remotely comparable to the devastation that struck suddenly on April 18, 1906.

America has the will. America has the resources. America has the know-how. Most importantly, America has the faith.

I share your belief in America. If you despaired of this Nation and its future, you would not be here tonight. Together we will build a new and a better America and a better world.

Thank you very much.

NOTE: The President spoke at 9:10 p.m. in the Grand Ballroom at the St. Francis Hotel. The San Francisco Bay Area Council was a private, non-

profit organization involved in research and advocacy on major public policies affecting the nine-county San Francisco Bay region.

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**Statement on the Death of President Chiang Kai-shek
of the Republic of China. April 5, 1975**

I WAS deeply saddened at the death of the President of the Republic of China, Chiang Kai-shek. His passing marks the end of an era in Chinese history.

President Chiang was a man of firm integrity, high courage, and deep political conviction. The last surviving major Allied leader of the Second World War, he will be remembered by people from all walks of life and from every part of the world for his dignity and dedication to principles in which he believed.

Mrs. Ford joins me in behalf of all Americans in expressing our sincere condolences to Madame Chiang, to President Chiang's family, and to his countrymen in this time of sorrow.

NOTE: Chiang Kai-shek was President of the Republic of China from 1948 until his death in Taipei, Taiwan, on April 5, 1975. The statement was released at Palm Springs, Calif.

Vice President Rockefeller headed the U.S. delegation to the funeral of President Chiang in Taiwan on April 16.

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**Address in Las Vegas at the Annual Convention of the National
Association of Broadcasters. April 7, 1975**

Thank you very much, Vince—and I can pronounce Wasilewski. President Dickoff, my wife, Betty, Secretary Kissinger, Senator Howard Cannon, Congressman Santini, Andy Ockershausen—that's not bad, is it, Andy?—distinguished guests, ladies and gentlemen:

Let me personally express my appreciation for the very warm welcome and reception that you have given to our great Secretary of State, a person of unbelievable wisdom and, I think, the finest background and knowledge in the field of foreign policy of anybody in my lifetime—and of course, his indefatigable dedication.

I also am most grateful for the warm reception that you gave on behalf of my wife, Betty, who celebrates her 39th birthday tomorrow—[laughter]—and of course, my good friend Howard Cannon.

Betty could tell you some things about me, but Howard Cannon was chairman of the committee in the Senate that investigated my life from birth to

sometime in 1973. I think he probably knows more about me than anybody in this room, including Betty, so I am glad you didn't ask him to speak. [Laughter]

First, I want to congratulate the members of the National Association of Broadcasters on your courage in holding your convention here in Las Vegas. However, since I am concerned with the economic well-being of all of our citizens, I have to offer you this advice: There are some games you just don't play without a helmet. [Laughter]

As a matter of fact, you could be the first broadcasters in history to go from a station break to a station broke. [Laughter]

I don't mind telling you I have always had a little concern when I appear in Las Vegas, especially with my economic advisers. I would really hate for people to think it is our way of making up the deficit. [Laughter]

This convention represents an opportunity for your industry to share problems, technological innovation, and trends in the broadcasting business. Your industry has a unique challenge because of its power and its great influence throughout our Nation. But, like all other businesses, you are concerned about the stability of our economy, which influences your ability to survive and to serve your customers.

This audience represents the spectrum of an American business, from the small radio or television stations serving a few thousand to the larger stations serving literally millions. But whether the budget you work with is large or small, you understand the Nation's economic difficulties very well.

The first part of my economic recovery recommendations last January, a prompt tax cut, is now law. The second and equally important part was the restraint of Federal spending by cutting back some \$17 billion in existing programs and by a 1-year moratorium on all new spending, except in the critical fields of energy and emergency needs.

I signed the tax cut bill because it was urgently needed to stimulate the economy. I was deeply concerned about the quality of the legislation approved, because it cost some \$7 billion more than was requested. What that means is \$7 billion less in tax revenues, and that amount is added inevitably to the Federal deficit.

Our continuing concern is the overstimulation of the economy through excessive Government spending. The Administration's projected deficit was \$52 billion in a 12-month period or \$1 billion per week of deficit. With the tax cut, the deficit would be closer to \$60 billion if the Congress authorized no new spending programs.

It now looks as if the Congress might undertake an entire series of new spending initiatives despite my request for a moratorium. A possible deficit of \$100 billion in a 12-month period of time—that would be a disaster.

Such a huge deficit is alarming because of the impact it would have on the money market. When the economy is weak and private credit demands are relatively low, the Administration's projected deficit could be financed without encouraging inflation. But when the economy turns up—and I think we are seeing some encouraging signs—and when it turns up, as we more specifically anticipate in the second half of the year, any larger deficit will consume money available for the private sector, drive up interest rates, and unfortunately regenerate more inflation.

The more Government has to borrow to finance a Federal deficit, the less money is available for individuals and for businesses. For example, a recent report in the Wall Street Journal describes the current difficulties of corporations in offering their bonds for expansion. Some companies have already been forced to delay planned offerings because of Government borrowing. A larger deficit will seriously aggravate this situation. Without these bonds, businesses will have to reduce anticipated capital expenditures. This, in turn, threatens to delay our economic recovery.

When government competes directly with business and individuals for needed funds, the interest rates go back up. When interest rates are high, it becomes difficult for individuals to borrow money to buy new homes, to buy new cars or other consumer items. The fall-off in the pace of consumer spending then forces industries to cut back production. When production is cut back, jobs are cut back.

When interest rates rise, there is a temptation to call for the Federal Reserve to provide even more money and more credit to satisfy the demands. As we have seen in the past when this is done, the longer term result is inevitably more inflation and even higher interest rates.

Overstimulation can negate the entire purpose of the tax cut which is to get the economy producing and the workingman back on the job.

The intrusion of Government into the money market must be kept to an absolute minimum, because ultimately the Nation's business determines the health of our Nation's economy.

Government handouts—I told my wife Betty I knew this speech backwards and I think I am proving it—[laughter]—the intrusion of the Government into the money market must be kept to an absolute minimum, because

ultimately the Nation's businesses determine the health of the Nation's economy.

Government handouts and make-work programs cannot go on forever. The best way to get those who want work back on the job is by temporary tax incentives to charge up our free enterprise system.

Government measures are at best very limited. Long-range recovery must come from the economic strength of the Nation's businesses, and this includes farmers, labor, and all other productive segments of our society.

The potentially larger deficits that loom ahead unless the Congress takes a serious look at the Nation's needs in the years, not just the days ahead, could make a solid, sustainable, and non-inflationary recovery in our Nation impossible.

Adding to the deficit in times like this is like gambling. If the deficit for the next year were only \$50 billion, we run only a very small risk of reigniting the fires of inflation. But every time your Congressmen and your Senators add a new spending program or otherwise increase the deficit by a few billion more, the inflationary odds go against us. Running a deficit of some \$100 billion in a 12-month period of time is gambling with the Nation's economic strength.

If there is runaway spending by the Government, we will again be caught up in a destructive inflationary spiral. This inflation will create the same kind of consumer uncertainty we saw last fall which unfortunately caused consumers to reduce discretionary spending. That reduction caused production cutbacks and the ensuing job losses that affect us tragically today.

It requires very careful managing to end the recession without promoting inflation. This task is made much more complicated by the present attitude of many Members of the Congress, to look only at the immediate problems of some of the people, instead of looking at the future welfare of all of the people.

This narrow view prompted the inclusion in the tax cut bill of a number of well-intentioned, but ill-conceived changes in our tax laws. Now, I share the desire of many in the Congress for tax reform. But meaningful changes must be based on deliberate and thoughtful evaluation of what is fair to all of our taxpayers.

The Congress voted additional benefits to aid the low-income taxpayer. The same people they sought to help will be the first hurt by the return of double-digit inflation. There is little doubt that those who will get a temporary benefit from the new tax cut law will wind up footing the bill through inflation unless the Congress acts responsibly on spending in the coming months.

It is my judgment that we have to stop trading today for tomorrow in our

Government spending programs. Unless we do, when tomorrow comes, the Nation will pay a terrible price for yesterday's expediencies.

In recent years, a tendency has developed to look at America as a nation of fragmented groups. This has produced a patchwork approach that fails to recognize the interdependence of all Americans.

In the recent tax cut legislation, the Congress concentrated tax reductions on the very lowest income brackets and discriminated against the majority of middle-income taxpayers.

In my recommendations to the Congress, I proposed an across-the-board tax reduction which would have helped all taxpayers, with special concern for the forgotten man in the middle.

The Congress passed tax reductions that are unfairly concentrated, in my judgment, in the very lowest income brackets. Low-income people should indeed be helped, but not to the exclusion of the rest of the population.

This tax bill places an increasingly difficult tax burden upon the most productive members of our society. Half of the families in this country today earn between \$10,000 and \$25,000 per year. One-third have earnings in excess of \$15,000 per year, and they cover the spectrum of productive people in our society.

Teachers, craftsmen in the labor unions, secretaries—these people are vitally important in our society. What we need—we need tax relief, but we need tax relief that will not strip incentives from these hard-working millions, many of them with young families that are struggling to improve their lives.

Failure to provide tax relief would effectively put a lid on the ambitions and the enterprise and the hard work of this very important segment of Americans as they seek, with their efforts and their brains and their dedication, to continue up the economic ladder for the sake of their children, if not for themselves.

The middle-income taxpayer cannot continue to carry an ever-increasing burden, an ever-increasing share of the cost of all governments. The importance of these taxpayers in achieving economic stability deserves more attention.

The Congress took some 6 million Americans off the tax rolls. We cannot afford, as I see it, to have this Nation divided between taxpayers on the one hand and nontaxpayers on the other. It is my strong belief and conviction that this is most unfair. It places an increasing burden on the middle-income taxpayers, and there are very real dangers, as I see it, in increasing the number of Americans who pay no taxes and contribute nothing to the support of their government.

Now, there is a vast difference between enterprises in which we have a personal investment and those in which we do not. When we invest our own time,

our own labors, and our own money in any adventure, we are infinitely more concerned about its success, and government is no exception.

Another of my concerns with the tax cut law is the possibility that some of the temporary changes will become permanent, producing a continuing loss of tax revenues. Once enacted, as Howard Cannon knows, many programs become permanent.

If the present pace of escalating social spending continues—and this is a startling statistic—in other words, if the present growth of social spending continues, as it has for the last two decades, about 9 percent per year, by the year 2000 one-half of our Nation will be producers and supporters for the other half. That assumes no change in any of the existing laws. It is just a projection of what has happened, what has transpired in the last 20 years.

The American people today are being forced to live within tight budgets to cope with the recession caused by decades of deficits and ever-expanding Government programs.

The Congress must learn to live within the Nation's means. It should fix an absolute ceiling on Federal spending for the coming year, the \$60 billion limit where I drew the line.

It is my best judgment—and I am encouraged by what I see in the House and Senate budget committees—I have urged the Congress to put the already enacted procedures of the Congressional budget and impoundment act of 1974 into effect a whole year ahead of schedule, starting this July 1.

We don't need any practice on this playing field. The time has come for the Congress to use this new legislative enactment to win the game, and if they start July 1, I think great results can be the end of their actions.

Now, the urgency of Congressional action to establish a ceiling and to list priorities requires the Congress to move up the deadline, as I have indicated. It is reasonable to expect the Congress to spend the Nation's money within an ordered budget, just as you have to in your businesses and at your home.

The Federal Government must exercise self-control and self-discipline in the expenditure of your tax dollar. I am disappointed, I must say, that there is substantial evidence that the Congress in various subcommittees, various committees, shows no self-control or no such discipline. Instead, committee after committee and subcommittee after subcommittee is producing budget-breaking deficit adding to old programs and new spending programs—all in the name of stimulating the economy or helping, group by group, those hurt by the recession.

The Congress must promptly take action to impose upon itself limits not

only on overall expenditures and deficits but also on spending in each major program area.

Now, an overall limit is too easily ignored by a committee or by a subcommittee. They act with the best of intentions on the area of their particular responsibility, and they vote one program after another, one bill after another.

What we need, I think, is what I mentioned earlier—their budget committees to force all committees and all subcommittees to act within a framework of a self-determined spending limitation, one within the guidelines that I proposed.

Far too many areas of our national life have been infected by an “us against them” mentality. It is not business versus consumer, rich against poor, black versus white, or America versus the world.

We are one Nation, indivisible—economically and socially. The solutions we find to our economic problems must be based on unity, not on division.

One of the most corrosive concepts to receive popular attention in the past decade is business as the villain. This has produced numerous unfortunate consequences, not the least of which is growing government overregulation of many, many industries.

You know firsthand—[*laughter*—how government regulations can stifle economic growth and in many, many instances, creativity. A complex society obviously requires some limited controls, but the proliferation of regulations has strangled far too many of our enterprises in recent years in America.

We must reexamine our laws for their applicability and our precepts for their validity in the light of changing times.

Periods of crisis, I think history tells us, can be creative, because they force us to look at new problems in new ways. We are in such a period today, both at home and abroad.

I am now working on and in the process of preparing a full report on international policy which will be presented by me to a joint session of the Congress this Thursday.

I will not go into the details today, obviously, but I will certainly put high on my agenda a firm American commitment to provide humanitarian aid to the helpless civilian victims, including orphaned children, of the war in Vietnam.

Now or in the future—let me say this with emphasis—let no potential enemy of the United States be so unwise to wrongly assess the American mood and conclude that the time has come when it is safe to challenge us.

May I say just as strongly, with as much emphasis, let no ally or friend fear that our commitments will not be honored.

It is unfortunately true that we have suffered setbacks at home and abroad. But it is essential that Americans retain their self-confidence and their perspective. This is the time, I should say, to mobilize our assets and to call upon our greatest capacities.

I appeal to each and every one of you and all of your friends and associates and neighbors back in your respective hometowns to share my optimism. In my own lifespan I heard, for example, the broadcasts of Lindbergh's first flight across the Atlantic. I first learned from broadcasts of the need for emergency mercy flights of the recent Vietnamese orphans. The media tells us what is happening, but it is up to us to respond. The news is only hopeless if we give up hope.

America will not give up to self-doubt nor to paralysis of willpower. Americans will not dismantle the defense of the United States. And we certainly will not adopt such a naive vision of this world in which we live that we dismantle our essential intelligence-gathering agencies. I can assure you, I can reassure you that other super powers are increasing, not decreasing their military and intelligence capacities.

In our own self-interest and, more important, in keeping with our basic decency as human beings, we as a nation will go on helping people in less fortunate lands. We will assist the victims of Southeast Asia in every appropriate way. And we will not turn our backs on others in any other quarter of the world.

Now, I know there are some who see nothing but a grim future of depression at home and disintegration abroad. I reject that scenario. My vision—and I think it is yours—is one of growth and development worldwide through increasing interdependence of the nations of the world. My vision is one of peace. And my vision of America is of a people who will retain their self-respect and self-discipline so that this great vision can emerge.

During my Administration, Americans will neither resign from the world nor abandon hope of peaceful and constructive relationships with all peoples.

America, you know and I know, has the will. America has the resources. America has the know-how. And most importantly, America has the faith.

I share your belief in America. Together we will build a new and better tomorrow.

Thank you very much.

NOTE: The President spoke at 1:40 p.m. in the main ballroom at the Las Vegas Hilton Hotel. In his opening remarks, he referred to Vincent T. Wasilewski, president, Andrew W. Ockershausen, chair-

man of the board of directors, and Charles R. Dickoff, member of the board, National Association of Broadcasters.

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**Remarks on Greeting Students Participating in the
CLOSE-UP Program. *April 8, 1975***

LET ME say just a few words and make an announcement so that what I say does not conclude the opportunity that we will have to get acquainted.

After a few remarks, I thought it would be best if I had an opportunity to shake hands with each one of you. And therefore, I am asking all of you at the conclusion of my remarks to come through the Oval Office, and I will shake hands with every one of you.

Well, as I understand it, there are some 600 young people from two of my favorite cities. Naturally, I am a little prejudiced on behalf of Grand Rapids, Michigan, but Atlanta is a great community. I have always enjoyed visiting Atlanta, and I know some wonderful people from there. I know all of you are of the same caliber of those that I have met and those that I know and enjoy from Atlanta.

I think CLOSE-UP is a great program. I know how much all of you have done on an individual and a collective basis to make it possible for you to come to Washington to see close-up how your Government works.

I am convinced as I look in your faces, know of your records, that all of you have the creativity, the imagination, the dedication, and the desire for involvement to make this country an even better place in which to live.

You as individuals and you as a group here this morning are indicative of the young people of America today.

I have great faith in your generation. I have faith that you will take the problems that we don't solve and actually come up with solutions so that the America of tomorrow will be a better place for all of you and all of your children.

We have a great country. We have some problems both at home and abroad. We want jobs for Americans—young people, old people, and all other people—and we are going to find an answer to the economic problems we have today.

It is going to be a little tough for a while, but to show my deep personal concern, I have asked the Congress for \$412 million so that roughly 800,000 young people this summer will have meaningful employment. This is important.

And I signed the tax bill that will help stimulate the economy. I am going to insist that the Congress act responsibly in the handling of financial affairs so we don't go from the success we have had in moderating inflation to a revival

of the inflation that caused most of our troubles today in the economic front at home.

We want to help the people who are less fortunate than others in America, but at the same time, we want to reward our middle-income people who have the desire.

We must provide an incentive for them so that they will continue their hard work, their dedication to making our country a better place in which to live. And that middle-income group that now pays better than a third of the Federal taxes—that includes schoolteachers, firemen, workingpeople, and a lot of other people in our society—we want them to have a fair break as we design, as we revise our income tax laws at the Federal level.

As I was sitting in the Oval Office a minute ago looking out and seeing all of you assembled, my own mind went back to an incident that I had back in June of 1931, the first time that I came to Washington, D.C. I was a graduate of South High School in Grand Rapids—it no longer exists, but it is now South Middle School. When I came to Washington, D.C., with 50 or 60 other young people from all of the middle western part of our country, I was given a tour like many of you have, or will, while you are here. And I have a picture taken up in front of the Capitol of the United States with all of the 50 or 60 of us who came to Washington on that occasion.

As I look back, I must have gotten an inspiration then to want to be involved in our Government. I suspect that was where the seed was planted, of course never expecting to have the opportunity of living in that great historic house.

But let me say to each and every one of you, if a 17-year-old from Grand Rapids, Michigan, could come from that to this, the same opportunity exists for each and every one of you, both male and female.

A few years ago—I think it was about 2 years ago—somebody in this town made the comment when asked the question, what was his advice to young people today about getting involved in government, and his words, if I remember them accurately, were, “Stay away.”

That was poor advice then, and it is poor advice now. Your participation in CLOSE-UP is your answer. The right answer is to get close-up, be involved at the local, the State, and the Federal level. And if you do, you will be happier. You will feel that you are making a great contribution to your government, to your country.

And our country today, as we face the problems both at home and abroad, needs your involvement, your dedication, your wisdom, your creativity.

We have a great country, and the problems we have can and will be solved.

But as I look at this great group of young people, I am encouraged, and I know that your enthusiasm can be infectious.

You can go back to Grand Rapids, to Atlanta, to Michigan, to Georgia, and your impact will be significant. Just keep it up.

Thank you very much.

NOTE: The President spoke at 12:33 p.m. in the Rose Garden at the White House. The CLOSE-UP program, which was established as a memorial to Senator Allen Ellender of Louisiana, brought high

school students and their teachers from cities around the country to spend a week in Washington where they attended seminars with Administration officials and Members of Congress.

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Statement on Signing Bills Rescinding Certain Budget Authorities. *April 8, 1975*

IN EACH message I have sent to the Congress regarding the subject of rescissions and deferrals, I have stressed their importance in our joint efforts to restrain the size of the Federal budget. They are no less important today.

Despite our common interest in fiscal responsibility, the Congress in its action on these two bills has failed to rescind \$1,937 million out of a proposed total of \$2,197 million in budget authority for fiscal year 1975. It is estimated that expenditures will increase by an estimated \$407 million in fiscal year 1975 and \$637 million in fiscal year 1976 because of the requirement to obligate these funds.

The rescissions I have presented to the Congress represent marginally beneficial or totally unneeded programs which can be provided only by raising taxes or by adding to the deficit which has already reached enormous proportions by any standard.

There is a natural reluctance to face up to the hard choices necessary to keep spending within reasonable limits. However, we must make these choices or all Americans will suffer because such spending sets back the economic recovery we all seek.

NOTE: As enacted, the bills (H.R. 3260 and H.R. 4075), approved April 8, 1975, are Public Law

94-14 (89 Stat. 70) and Public Law 94-15 (89 Stat. 75), respectively.

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Remarks at a Reception for Members of the National Alliance of Businessmen. April 8, 1975

Chairman Rockwell, Carl Hartnack, John Condon, and my old friend, Bob Wilson, members of NAB:

It is a great privilege and pleasure to welcome you all to this White House reception. It is the least, I think, we in Government, can do to thank you individually and collectively for the work that you and your organization are doing for America.

Last summer I had the privilege of speaking at your national conference here in Washington and predicted that you would not let the problems of inflation and economic downturn prevent you from meeting your objectives of finding jobs for America's disadvantaged Vietnam veterans and our many, many needy American youngsters.

Now, after the reports that I have heard on the progress you have made during the first half of this fiscal year, I am convinced that my prediction of last summer was one of the most accurate I could have made—maybe a bit more accurate than some others I have made.

But anyhow, in spite of the present economic conditions, you are right on target on providing jobs and training for some 485,000 adults this fiscal year.

Last summer—and I commend you for it—you exceeded your goal of 200,000 summer jobs for needy youngsters by more than 25 percent, and that is a great accomplishment, and I commend you and thank you for it.

The key to the American success story, as I see it for nearly 200 years now, has been a single word, and we should emphasize it and reemphasize it—opportunity.

Generation after generation, that opportunity has been expanded, and it can and it will be expanded in the years ahead.

That opportunity has been made available to more and more people with, thank goodness, fewer and fewer barriers. We have not eliminated them all. Some still remain—barriers of poverty, ignorance, prejudice, just to mention a few.

We don't like them. We won't tolerate them. We are going to eliminate them. However, thanks to the National Alliance of Businessmen, great progress is being made, and all of you who are here today should be thanked by those who have been blessed by what you have made available.

The productivity partnership you have formed with American business, labor, and government has proven what can be done when all segments of our American system work together toward common objectives. Over the past 7 years—and I can recall with some accuracy the work that was begun and the work that has been achieved—you have developed the skill, the know-how, and the commitment necessary to help those least likely to succeed under normal and previous circumstances.

I think you are fortunate. Your objective is a very simple one: to place veterans, the handicapped, and the disadvantaged people in private sector jobs where they have the greatest opportunity to do for themselves, with your help, to enlarge their arena, to enlarge their opportunities—private sector jobs that will be their first step up the ladder of dignity and prosperity.

Specifically, we are taking the lead in finding jobs for veterans, and we have literally hundreds of thousands of them as a matter of fact, more than 650,000 to date.

And you also conduct an enormously successful summer jobs campaign for needy youngsters. I think these two alliance programs are extremely important. I can't emphasize it sufficiently. We cannot and we must not forget the veterans of the Vietnam war, nor can we ignore America's youngsters today.

I understand that you have achieved all this with only 35 professional staff members paid by Federal funds. That is an awful lot of results with a minimum of Federal participation.

All of the thousands of other people who made this program work were on free loan from the private sector, which has been an invaluable contribution to the betterment of America. And may I thank those in the private sector who have made these people available to supplement the minimum contribution made by the Federal Government. It really is a tribute to the free enterprise system and the people who are deeply involved in it.

I am particularly pleased to see your current slogan, "Help America Work." That is really the goal of our country today, and it has been in the past, and I suspect it will be so in the future. I am deeply appreciative of what each of you has contributed toward making that slogan a reality.

Today you are faced with a reward that so often goes with a job well done. I ask you to do more, and I am confident that you will.

As representatives of the American business system, our economy, our government, and our people need your efforts more than ever before. I am sure you have heard that on many, many occasions in your local communities, in your States, and here now. But I say it with deep conviction; it is true.

Therefore, I urge you to join with me in renewing and reaffirming our commitment and our dedication to the purposes of the National Alliance of Businessmen in order to truly help America work.

You, by your own success, have set an example. You, by your own contributions, can help others achieve what you have achieved by work, and that makes America work.

Thank you very, very much.

NOTE: The President spoke at 5:30 p.m. in the East Room at the White House. In his opening remarks, he referred to Willard F. Rockwell, Jr., immediate past chairman of the board, Carl E.

Hartnack, chairman of the board, John P. Condon, president, and Robert J. Wilson, executive vice president and secretary-treasurer, National Alliance of Businessmen.

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Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation To Reestablish the Executive Reorganization Authority. April 9, 1975

EFFECTIVE management of the Executive Branch requires adaptability to changing circumstances and problems.

The organizational structure of the Executive Branch should foster both efficiency and flexibility. A tool on which my predecessors relied to achieve these objectives is the reorganization plan authority. This mechanism will be very useful in our efforts to meet the challenges we now face. Therefore, I am transmitting to you a draft bill entitled "To reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the Executive Branch of the Government, and for other purposes."

The Reorganization Act of 1949 (5 U.S.C., Chapter 9) requires the President to "examine the organization of all agencies" and "determine what changes in such organization are necessary." However, specific authority under this act to submit Reorganization Plans which define such necessary changes expired on April 1, 1973. Thus, this bill seeks to restore the authority necessary to fulfill my statutory obligation to study and propose Executive reorganizations.

Historically, there has been bi-partisan support for extension of this authority. Since 1949, all Presidents have made use of this mechanism—93 Presidential plans have been submitted and 73 have been approved.

The original Reorganization Act of 1949 established the President's authority to submit plans for a four-year period. In view of the mutual interest of both Congress and the Executive Branch in efforts to increase the efficiency and

effectiveness of Federal programs, I urge that this Reorganization Plan authority again be extended for a four-year period. Such an extension would facilitate the orderly development of a systematic plan of organization improvements.

We all recognize the benefits of sound organization of governmental agencies. All three branches of the Federal Government seek effective management, reduction of expenditures, increased efficiency, and elimination of overlapping and duplication of effort. The reorganization statute has been instrumental in Executive Branch efforts to achieve these goals. Therefore, I urge prompt action by the Congress to extend this authority and renew the usefulness of this statute as a tool of good government.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate. The text of the draft legislation was included as part of the release.

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Message to the Congress Transmitting Quarterly Report of the Council on Wage and Price Stability. April 9, 1975

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I am hereby transmitting to the Congress the second quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the past few months in monitoring both wages and prices in the private sector and various Federal Government activities which lead to higher costs and prices. Additionally, it contains a discussion of wages and prices during the last quarter of 1974 and the outlook for 1975.

We are making good progress in winning the battle against inflation. The Council on Wage and Price Stability has helped to obtain the voluntary cooperation of labor and management in these efforts. The Council also is playing an important role in restraining any adverse economic impact of proposed Government actions.

GERALD R. FORD

The White House,
April 9, 1975.

NOTE: The 73-page report, covering the period November 1974 through January 1975, is entitled "Quarterly Report—Council on Wage and Price Stability."

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Remarks to Participants in the National Explorer Presidents' Congress of the Boy Scouts of America. April 9, 1975

Mr. Reneker, members of the National Executive Board, President Wright, Explorers:

Let me say it is a very great privilege, a very high honor to have the opportunity of joining you at this historic house in this wonderful site, and I welcome each and every one of you to the White House.

You know, it is good to have all you Explorers here, because the more I travel, the more I read, the more I listen, I am absolutely convinced our country—yours and mine—needs your youthful vision, your enthusiasm, and obviously, your idealism.

As we read history, as we look at the present, America has always been a nation with the promise of a better tomorrow, regardless of our present difficulties, either at home or abroad. As I look at this group—2,000 out of 500,000 Explorers—you obviously represent the hope of tomorrow.

A few years ago, when I was the minority leader of the House of Representatives, I had the distinct honor and great privilege of serving as chairman of your annual congress here in the Nation's Capital. And as I recall, that particular get-together had the same flavor, the same atmosphere as a national political convention. And I must say that participation by me in that gathering convinced me beyond any doubt whatsoever that young people ought to participate, not stand on the side lines and be critical.

I know very well that a good many young people—and Mrs. Ford and I have four children, now from the age of 25 to 17—that young people, for a period of time, were very disillusioned, very concerned, and felt that their country had let them down or that our system wasn't working. And therefore, they had a tendency to stand back and not get into the ball game, so to speak.

Well, I didn't agree with that point of view then because, then as now, we need the maximum effort, participation, dedication of young people such as yourselves. Don't stand on the side lines. Be a part of this great government, whether it is at the local, the State, or the Federal level.

I don't like to repeat speeches, and I won't, except to tell you one story that I told a group of young people yesterday, whom I met out here in the Rose Garden.

In the summer of 1931, I came from my home of Grand Rapids, Michigan, with some 50 or 60 other young people who were just graduating from high school, and we came to the Nation's Capital and we toured the great Capital that we have here.

We went to the Capitol, the White House, and all of the other tremendous buildings and activities that go on in your Capital. I have a picture taken with 50 or 60 of us standing in front of the Capitol, and I can recall very vividly sitting in the Chamber of the House of Representatives in 1931 watching the activities of the House of Representatives at that time.

I must have been tremendously impressed. I must have had the seed planted that resulted in my active participation in the political arena. And after serving 25-plus years in the Congress of the United States, I am glad that I had that inspiration from one trip to Washington, D.C.

What I am saying to all 2,000 of you is, you have seen the magnificent beauty and the wonderful things here in your Capital. I hope that every one of the 2,000 of you go away from here with the feeling that your government is meaningful, whether it is the executive branch headed by the President, or the legislative branch headed by the Congress, or the judicial branch headed by the Supreme Court.

All of you, each and every one of you, can make a significant contribution. The inspiration that I hope you have gotten during your visit will mean that in a few years—and I hope not too many—you will be back here running this country, doing a better job than we are doing.

Now, I know that the Explorers have as two of their main functions a career-oriented program and a leadership-directed program. It is my understanding by the time you complete this congress you will have heard from people representing all sectors of our life—business, government officials, journalists, athletes, educators, lawyers, labor leaders, and many, many others.

The truth is that there are opportunities in every segment of our society for you and for those that you know. To make a strong country, we have to have people in all sectors and all segments of our society.

You know, there is a saying, if I remember it correctly, in the Bible that says the beauty of Joseph's coat is its many colors. The strength of America today is its diversity.

For all of you to be here from all of our various States means that a cross-

section of America is represented by 2,000 of our finest young people, who in the process of visiting the Nation's Capital will be exposed to opportunities for your future careers.

As you move into that career, one that not only makes sense to you but money for you, you will find new opportunities and new challenges confronting you.

With the war over and the draft ended, your duty now is to enlist in the campaigns being currently waged against our domestic and international problems. One thing that I have found in my experience in government, which goes back to January 1949, is that our government needs new ideas.

Those new ideas can come from any one or all of you. We need new concepts that can be made available to us, whether we are in the executive branch or in the legislative branch. We need new approaches. We can't use the same old concepts day after day after day.

You have ideas of your own, and that is why you are here. You have inspiration, and you have the dedication. And that is why you have joined others who were here.

It is my judgment that ideas are the engines that make our free enterprise system go, and let us hear from you the ideas that you have put together in your own mind with the benefit of others.

I would like to make one observation, and I am not critical of anybody—people believe it, but it is something that worries me—I sat in the House of Representatives for 25 years, and I used to see program after program presented to the House that meant a bigger government, that meant more control over people and over cities and over States.

I used to get very worried as I saw this proliferation of government, and I thought to myself on many occasions that I wish that people would think in this way, and let me paraphrase it, if I might: Just remember that a government big enough to give us everything we want is a government big enough to take from us everything we have.

As Explorers, each and every one of you in your local community are also leaders. Leaders in America, particularly among the young, are the greatest resource that this Nation has.

You obviously represent the spirit, you obviously represent the will of America's future. And although I am certain you have heard it said before, may I, with your indulgence, say it again. You—and I mean exactly that—you can make this country whatever you want it to be.

At this time, I want to personally welcome to the White House two other

presidents: Mary Wright, who has done a magnificent job as Explorer President for the past year, and of course, your new president, Larry Carpenter.

Let me say, without being critical of Larry, that Mary is a lot more attractive than he is. But I will say in defense of Larry, he looks pretty good and pretty strong to me.

Congratulations.

NOTE: The President spoke at 2:47 p.m. on the South Lawn of the White House. Following his remarks, the President received the Boy Scouts of America Silver Buffalo Award. It was presented

by Mary Van Lear Wright, National Explorer president.

Robert W. Reneker was national president of the Boy Scouts of America.

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Memorandum on the Federal Summer Employment Program for Youth. *April 10, 1975*

[Dated April 9, 1975. Released April 10, 1975]

Memorandum for Heads of Departments and Agencies

Many young Americans will put their vacations to practical use by finding worthwhile jobs this summer. We in Government can and should help them.

I request that all Federal managers give their full support to the 1975 Federal Summer Employment Program for Youth. Young employees can be used in various capacities—as replacements for vacationing regular employees and as supplementary help in agencies experiencing increased summer workloads. They provide Government agencies with a chance to expand relationships with educational institutions and to gain a better understanding of the generation that will work for the Government in the future.

Your leadership is needed in the selection of young people from the Summer Employment Examination, agency merit staffing plans and the Federal Summer Intern Program. Since we must also continue to assure opportunities for needy youths in Government service, I am setting a general goal of one needy youth for every forty regular employees.

The Chairman of the Civil Service Commission will continue to provide guidance on all aspects of the Federal Summer Employment Program and will report to me on its performance. The support of your agency has contributed greatly to the success of this program in past years. I urge you to give this year's program your continued personal involvement.

GERALD R. FORD

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Address Before a Joint Session of the Congress Reporting on
United States Foreign Policy. April 10, 1975

Mr. Speaker, Mr. President, distinguished guests, my very good friends in the Congress, and fellow Americans:

I stand before you tonight after many agonizing hours in very solemn prayers for guidance by the Almighty. In my report on the state of the Union in January, I concentrated on two subjects which were uppermost in the minds of the American people—urgent actions for the recovery of our economy and a comprehensive program to make the United States independent of foreign sources of energy.

I thank the Congress for the action that it has taken thus far in my response for economic recommendations. I look forward to early approval of a national energy program to meet our country's long-range and emergency needs in the field of energy.

Tonight it is my purpose to review our relations with the rest of the world in the spirit of candor and consultation which I have sought to maintain with my former colleagues and with our countrymen from the time that I took office. It is the first priority of my Presidency to sustain and strengthen the mutual trust and respect which must exist among Americans and their Government if we are to deal successfully with the challenges confronting us both at home and abroad.

The leadership of the United States of America since the end of World War II has sustained and advanced the security, well-being, and freedom of millions of human beings besides ourselves. Despite some setbacks, despite some mistakes, the United States has made peace a real prospect for us and for all nations. I know firsthand that the Congress has been a partner in the development and in the support of American foreign policy, which five Presidents before me have carried forward with changes of course but not of destination.

The course which our country chooses in the world today has never been of greater significance for ourselves as a nation and for all mankind. We build from a solid foundation. Our alliances with great industrial democracies in Europe, North America, and Japan remain strong with a greater degree of consultation and equity than ever before.

With the Soviet Union we have moved across a broad front toward a more stable, if still competitive, relationship. We have begun to control the spiral of strategic nuclear armaments.

After two decades of mutual estrangement, we have achieved an historic opening with the People's Republic of China.

In the best American tradition, we have committed, often with striking success, our influence and good offices to help contain conflicts and settle disputes in many, many regions of the world. We have, for example, helped the parties of the Middle East take the first steps toward living with one another in peace.

We have opened a new dialog with Latin America, looking toward a healthier hemispheric partnership. We are developing closer relations with the nations of Africa. We have exercised international leadership on the great new issues of our interdependent world, such as energy, food, environment, and the law of the sea.

The American people can be proud of what their Nation has achieved and helped others to accomplish, but we have from time to time suffered setbacks and disappointments in foreign policy. Some were events over which we had no control; some were difficulties we imposed upon ourselves.

We live in a time of testing and of a time of change. Our world—a world of economic uncertainty, political unrest, and threats to the peace—does not allow us the luxury of abdication or domestic discord.

I recall quite vividly the words of President Truman to the Congress when the United States faced a far greater challenge at the end of the Second World War. If I might quote: "If we falter in our leadership, we may endanger the peace of the world, and we shall surely endanger the welfare of this Nation."

President Truman's resolution must guide us today. Our purpose is not to point the finger of blame, but to build upon our many successes, to repair damage where we find it, to recover our balance, to move ahead as a united people. Tonight is a time for straight talk among friends, about where we stand and where we are going.

A vast human tragedy has befallen our friends in Vietnam and Cambodia. Tonight I shall not talk only of obligations arising from legal documents. Who can forget the enormous sacrifices of blood, dedication, and treasure that we made in Vietnam?

Under five Presidents and 12 Congresses, the United States was engaged in Indochina. Millions of Americans served, thousands died, and many more were wounded, imprisoned, or lost. Over \$150 billion have been appropriated for that war by the Congress of the United States. And after years of effort, we negotiated, under the most difficult circumstances, a settlement which made it possible for us to remove our military forces and bring home with pride our American

prisoners. This settlement, if its terms had been adhered to, would have permitted our South Vietnamese ally, with our material and moral support, to maintain its security and rebuild after two decades of war.

The chances for an enduring peace after the last American fighting man left Vietnam in 1973 rested on two publicly stated premises: first, that if necessary, the United States would help sustain the terms of the Paris accords it signed 2 years ago, and second, that the United States would provide adequate economic and military assistance to South Vietnam.

Let us refresh our memories for just a moment. The universal consensus in the United States at that time, late 1972, was that if we could end our own involvement and obtain the release of our prisoners, we would provide adequate material support to South Vietnam. The North Vietnamese, from the moment they signed the Paris accords, systematically violated the cease-fire and other provisions of that agreement. Flagrantly disregarding the ban on the infiltration of troops, the North Vietnamese illegally introduced over 350,000 men into the South. In direct violation of the agreement, they sent in the most modern equipment in massive amounts. Meanwhile, they continued to receive large quantities of supplies and arms from their friends.

In the face of this situation, the United States—torn as it was by the emotions of a decade of war—was unable to respond. We deprived ourselves by law of the ability to enforce the agreement, thus giving North Vietnam assurance that it could violate that agreement with impunity. Next, we reduced our economic and arms aid to South Vietnam. Finally, we signaled our increasing reluctance to give any support to that nation struggling for its survival.

Encouraged by these developments, the North Vietnamese, in recent months, began sending even their reserve divisions into South Vietnam. Some 20 divisions, virtually their entire army, are now in South Vietnam.

The Government of South Vietnam, uncertain of further American assistance, hastily ordered a strategic withdrawal to more defensible positions. This extremely difficult maneuver, decided upon without consultations, was poorly executed, hampered by floods of refugees, and thus led to panic. The results are painfully obvious and profoundly moving.

In my first public comment on this tragic development, I called for a new sense of national unity and purpose. I said I would not engage in recriminations or attempts to assess the blame. I reiterate that tonight.

In the same spirit, I welcome the statement of the distinguished majority leader of the United States Senate earlier this week, and I quote: "It is time for

the Congress and the President to work together in the area of foreign as well as domestic policy.”

So, let us start afresh.

I am here to work with the Congress. In the conduct of foreign affairs, Presidential initiative and ability to act swiftly in emergencies are essential to our national interest.

With respect to North Vietnam, I call upon Hanoi—and ask the Congress to join with me in this call—to cease military operations immediately and to honor the terms of the Paris agreement.

The United States is urgently requesting the signatories of the Paris conference to meet their obligations to use their influence to halt the fighting and to enforce the 1973 accords. Diplomatic notes to this effect have been sent to all members of the Paris conference, including the Soviet Union and the People’s Republic of China.

The situation in South Vietnam and Cambodia has reached a critical phase requiring immediate and positive decisions by this Government. The options before us are few and the time is very short.

On the one hand, the United States could do nothing more; let the Government of South Vietnam save itself and what is left of its territory, if it can; let those South Vietnamese civilians who have worked with us for a decade or more save their lives and their families, if they can; in short, shut our eyes and wash our hands of the whole affair—if we can.

Or, on the other hand, I could ask the Congress for authority to enforce the Paris accords with our troops and our tanks and our aircraft and our artillery and carry the war to the enemy.

There are two narrower options:

First, stick with my January request that Congress appropriate \$300 million for military assistance for South Vietnam and seek additional funds for economic and humanitarian purposes.

Or, increase my requests for both emergency military and humanitarian assistance to levels which, by best estimates, might enable the South Vietnamese to stem the onrushing aggression, to stabilize the military situation, permit the chance of a negotiated political settlement between the North and South Vietnamese, and if the very worst were to happen, at least allow the orderly evacuation of Americans and endangered South Vietnamese to places of safety.

Let me now state my considerations and my conclusions.

I have received a full report from General Weyand,¹ whom I sent to Vietnam

¹ General Frederick C. Weyand, U.S. Army Chief of Staff.

to assess the situation. He advises that the current military situation is very critical, but that South Vietnam is continuing to defend itself with the resources available. However, he feels that if there is to be any chance of success for their defense plan, South Vietnam needs urgently an additional \$722 million in very specific military supplies from the United States. In my judgment, a stabilization of the military situation offers the best opportunity for a political solution.

I must, of course, as I think each of you would, consider the safety of nearly 6,000 Americans who remain in South Vietnam and tens of thousands of South Vietnamese employees of the United States Government, of news agencies, of contractors and businesses for many years whose lives, with their dependents, are in very grave peril. There are tens of thousands of other South Vietnamese intellectuals, professors, teachers, editors, and opinion leaders who have supported the South Vietnamese cause and the alliance with the United States to whom we have a profound moral obligation.

I am also mindful of our posture toward the rest of the world and, particularly, of our future relations with the free nations of Asia. These nations must not think for a minute that the United States is pulling out on them or intends to abandon them to aggression.

I have therefore concluded that the national interests of the United States and the cause of world stability require that we continue to give both military and humanitarian assistance to the South Vietnamese.

Assistance to South Vietnam at this stage must be swift and adequate. Drift and indecision invite far deeper disaster. The sums I had requested before the major North Vietnamese offensive and the sudden South Vietnamese retreat are obviously inadequate. Half-hearted action would be worse than none. We must act together and act decisively.

I am therefore asking the Congress to appropriate without delay \$722 million for emergency military assistance and an initial sum of \$250 million for economic and humanitarian aid for South Vietnam.

The situation in South Vietnam is changing very rapidly, and the need for emergency food, medicine, and refugee relief is growing by the hour. I will work with the Congress in the days ahead to develop humanitarian assistance to meet these very pressing needs.

Fundamental decency requires that we do everything in our power to ease the misery and the pain of the monumental human crisis which has befallen the people of Vietnam. Millions have fled in the face of the Communist onslaught and are now homeless and are now destitute. I hereby pledge in the

name of the American people that the United States will make a maximum humanitarian effort to help care for and feed these hopeless victims.

And now I ask the Congress to clarify immediately its restrictions on the use of U.S. military forces in Southeast Asia for the limited purposes of protecting American lives by ensuring their evacuation, if this should be necessary. And I also ask prompt revision of the law to cover those Vietnamese to whom we have a very special obligation and whose lives may be endangered should the worst come to pass.

I hope that this authority will never have to be used, but if it is needed, there will be no time for Congressional debate. Because of the gravity of the situation, I ask the Congress to complete action on all of these measures not later than April 19.

In Cambodia, the situation is tragic. The United States and the Cambodian Government have each made major efforts, over a long period and through many channels, to end that conflict. But because of their military successes, steady external support, and their awareness of American legal restrictions, the Communist side has shown no interest in negotiation, compromise, or a political solution. And yet, for the past 3 months, the beleaguered people of Phnom Penh have fought on, hoping against hope that the United States would not desert them, but instead provide the arms and ammunition they so badly needed.

I have received a moving letter from the new acting President of Cambodia, Saukham Khoy, and let me quote it for you:

"Dear Mr. President," he wrote, "As the American Congress reconvenes to reconsider your urgent request for supplemental assistance for the Khmer Republic, I appeal to you to convey to the American legislators our plea not to deny these vital resources to us, if a nonmilitary solution is to emerge from this tragic 5-year-old conflict.

"To find a peaceful end to the conflict we need time. I do not know how much time, but we all fully realize that the agony of the Khmer people cannot and must not go on much longer. However, for the immediate future, we need the rice to feed the hungry and the ammunition and the weapons to defend ourselves against those who want to impose their will by force [of arms]. A denial by the American people of the means for us to carry on will leave us no alternative but inevitably abandoning our search for a solution which will give our citizens some freedom of choice as to their future. For a number of years now the Cambodian people have placed their trust in America. I cannot believe that

this confidence was misplaced and that suddenly America will deny us the means which might give us a chance to find an acceptable solution to our conflict.”

This letter speaks for itself. In January, I requested food and ammunition for the brave Cambodians, and I regret to say that as of this evening, it may be soon too late.

Members of the Congress, my fellow Americans, this moment of tragedy for Indochina is a time of trial for us. It is a time for national resolve.

It has been said that the United States is over-extended, that we have too many commitments too far from home, that we must reexamine what our truly vital interests are and shape our strategy to conform to them. I find no fault with this as a theory, but in the real world such a course must be pursued carefully and in close coordination with solid progress toward overall reduction in worldwide tensions.

We cannot, in the meantime, abandon our friends while our adversaries support and encourage theirs. We cannot dismantle our defenses, our diplomacy, or our intelligence capability while others increase and strengthen theirs.

Let us put an end to self-inflicted wounds. Let us remember that our national unity is a most priceless asset. Let us deny our adversaries the satisfaction of using Vietnam to pit Americans against Americans. At this moment, the United States must present to the world a united front.

Above all, let's keep events in Southeast Asia in their proper perspective. The security and the progress of hundreds of millions of people everywhere depend importantly on us.

Let no potential adversary believe that our difficulties or our debates mean a slackening of our national will. We will stand by our friends, we will honor our commitments, and we will uphold our country's principles.

The American people know that our strength, our authority, and our leadership have helped prevent a third world war for more than a generation. We will not shrink from this duty in the decades ahead.

Let me now review with you the basic elements of our foreign policy, speaking candidly about our strengths and some of our difficulties.

We must, first of all, face the fact that what has happened in Indochina has disquieted many of our friends, especially in Asia. We must deal with this situation promptly and firmly. To this end, I have already scheduled meetings with the leaders of Australia, New Zealand, Singapore, and Indonesia, and I expect to meet with the leaders of other Asian countries as well.

A key country in this respect is Japan. The warm welcome I received in

Japan last November vividly symbolized for both our peoples the friendship and the solidarity of this extraordinary partnership. I look forward, as I am sure all of you do, with very special pleasure to welcoming the Emperor when he visits the United States later this year.

We consider our security treaty with Japan the cornerstone of stability in the vast reaches of Asia and the Pacific. Our relations are crucial to our mutual well-being. Together, we are working energetically on the international multi-lateral agenda—in trade, energy, and food. We will continue the process of strengthening our friendship, mutual security, and prosperity.

Also, of course, of fundamental importance is our mutual security relationship with the Republic of Korea, which I reaffirmed on my recent visit.

Our relations with Europe have never been stronger. There are no peoples with whom America's destiny has been more closely linked. There are no peoples whose friendship and cooperation are more needed for the future. For none of the members of the Atlantic community can be secure, none can prosper, none can advance unless we all do so together. More than ever, these times demand our close collaboration in order to maintain the secure anchor of our common security in this time of international riptides, to work together on the promising negotiations with our potential adversaries, to pool our energies on the great new economic challenge that faces us.

In addition to this traditional agenda, there are new problems involving energy, raw materials, and the environment. The Atlantic nations face many and complex negotiations and decisions. It is time to take stock, to consult on our future, to affirm once again our cohesion and our common destiny. I therefore expect to join with the other leaders of the Atlantic Alliance at a Western summit in the very near future.

Before this NATO meeting, I earnestly ask the Congress to weigh the broader considerations and consequences of its past actions on the complex Greek-Turkish dispute over Cyprus. Our foreign policy cannot be simply a collection of special economic or ethnic or ideological interests. There must be a deep concern for the overall design of our international actions. To achieve this design for peace and to assure that our individual acts have some coherence, the Executive must have some flexibility in the conduct of foreign policy.

United States military assistance to an old and faithful ally, Turkey, has been cut off by action of the Congress. This has imposed an embargo on military purchases by Turkey, extending even to items already paid for—an unprecedented act against a friend.

These moves, I know, were sincerely intended to influence Turkey in the

Cyprus negotiations. I deeply share the concern of many citizens for the immense human suffering on Cyprus. I sympathize with the new democratic government in Greece. We are continuing our earnest efforts to find equitable solutions to the problems which exist between Greece and Turkey. But the result of the Congressional action has been to block progress towards reconciliation, thereby prolonging the suffering on Cyprus, to complicate our ability to promote successful negotiations, to increase the danger of a broader conflict.

Our longstanding relationship with Turkey is not simply a favor to Turkey; it is a clear and essential mutual interest. Turkey lies on the rim of the Soviet Union and at the gates of the Middle East. It is vital to the security of the eastern Mediterranean, the southern flank of Western Europe, and the collective security of the Western alliance. Our U.S. military bases in Turkey are as critical to our own security as they are to the defense of NATO.

I therefore call upon the Congress to lift the American arms embargo against our Turkish ally by passing the bipartisan Mansfield-Scott bill now before the Senate. Only this will enable us to work with Greece and Turkey to resolve the differences between our allies. I accept and indeed welcome the bill's requirement for monthly reports to the Congress on progress toward a Cyprus settlement, but unless this is done with dispatch, forces may be set in motion within and between the two nations which could not be reversed.

At the same time, in order to strengthen the democratic government of Greece and to reaffirm our traditional ties with the people of Greece, we are actively discussing a program of economic and military assistance with them. We will shortly be submitting specific requests to the Congress in this regard.

A vital element of our foreign policy is our relationship with the developing countries in Africa, Asia, and Latin America. These countries must know that America is a true, that America is a concerned friend, reliable both in word and deed.

As evidence of this friendship, I urge the Congress to reconsider one provision of the 1974 trade act which has had an unfortunate and unintended impact on our relations with Latin America, where we have such a long tie of friendship and cooperation. Under this legislation, all members of OPEC were excluded from our generalized system of trade preferences. This, unfortunately, punished two South American friends, Ecuador and Venezuela, as well as other OPEC nations, such as Nigeria and Indonesia, none of which participated in last year's oil embargo. This exclusion has seriously complicated our new dialog with our friends in this hemisphere. I therefore endorse the amendments which have been introduced in the Congress to provide execu-

tive authority to waive those restrictions on the trade act that are incompatible with our national interest.

The interests of America as well as our allies are vitally affected by what happens in the Middle East. So long as the state of tension continues, it threatens military crisis, the weakening of our alliances, the stability of the world economy, and confrontation with the nuclear super powers. These are intolerable risks.

Because we are in the unique position of being able to deal with all the parties, we have, at their request, been engaged for the past year and a half in the peacemaking effort unparalleled in the history of the region. Our policy has brought remarkable successes on the road to peace. Last year, two major disengagement agreements were negotiated and implemented with our help. For the first time in 30 years, a process of negotiation on the basic political issues was begun and is continuing.

Unfortunately, the latest efforts to reach a further interim agreement between Israel and Egypt have been suspended. The issues dividing the parties are vital to them and not amenable to easy and to quick solutions. However, the United States will not be discouraged.

The momentum toward peace that has been achieved over the last 18 months must and will be maintained. The active role of the United States must and will be continued. The drift toward war must and will be prevented.

I pledge the United States to a major effort for peace in the Middle East, an effort which I know has the solid support of the American people and their Congress. We are now examining how best to proceed. We have agreed in principle to reconvene the Geneva conference. We are prepared as well to explore other forums. The United States will move ahead on whatever course looks most promising, either towards an overall settlement or interim agreements, should the parties themselves desire them. We will not accept stagnation or stalemate with all its attendant risks to peace and prosperity and to our relations in and outside of the region.

The national interest and national security require as well that we reduce the dangers of war. We shall strive to do so by continuing to improve our relations with potential adversaries.

The United States and the Soviet Union share an interest in lessening tensions and building a more stable relationship. During this process, we have never had any illusions. We know that we are dealing with a nation that reflects different principles and is our competitor in many parts of the globe. Through a combination of firmness and flexibility, the United States, in recent years,

laid the basis of a more reliable relationship, founded on mutual interest and mutual restraint. But we cannot expect the Soviet Union to show restraint in the face of the United States' weakness or irresolution.

As long as I am President, America will maintain its strength, its alliances, and its principles as a prerequisite to a more peaceful planet. As long as I am President, we will not permit détente to become a license to fish in troubled waters. Détente must be—and, I trust, will be—a two-way relationship.

Central to U.S.-Soviet relations today is the critical negotiation to control strategic nuclear weapons. We hope to turn the Vladivostok agreements into a final agreement this year at the time of General Secretary Brezhnev's visit to the United States. Such an agreement would, for the first time, put a ceiling on the strategic arms race. It would mark a turning point in postwar history and would be a crucial step in lifting from mankind the threat of nuclear war.

Our use of trade and economic sanctions as weapons to alter the internal conduct of other nations must also be seriously reexamined. However well-intentioned the goals, the fact is that some of our recent actions in the economic field have been self-defeating, they are not achieving the objectives intended by the Congress, and they have damaged our foreign policy.

The Trade Act of 1974 prohibits most-favored-nation treatment, credit and investment guarantees and commercial agreements with the Soviet Union so long as their emigration policies fail to meet our criteria. The Soviet Union has therefore refused to put into effect the important 1972 trade agreement between our two countries.

As a result, Western Europe and Japan have stepped into the breach. Those countries have extended credits to the Soviet Union exceeding \$8 billion in the last 6 months. These are economic opportunities, jobs, and business which could have gone to Americans.

There should be no illusions about the nature of the Soviet system, but there should be no illusions about how to deal with it. Our belief in the right of peoples of the world freely to emigrate has been well demonstrated. This legislation, however, not only harmed our relations with the Soviet Union but seriously complicated the prospects of those seeking to emigrate. The favorable trend, aided by quiet diplomacy, by which emigration increased from 400 in 1968 to over 33,000 in 1973 has been seriously set back. Remedial legislation is urgently needed in our national interest.

With the People's Republic of China, we are firmly fixed on the course set forth in the Shanghai communique. Stability in Asia and the world require our constructive relations with one-fourth of the human race. After two decades

of mutual isolation and hostility, we have, in recent years, built a promising foundation. Deep differences in our philosophy and social systems will endure, but so should our mutual long-term interests and the goals to which our countries have jointly subscribed in Shanghai. I will visit China later this year to reaffirm these interests and to accelerate the improvement in our relations. And I was glad to welcome the distinguished Speaker and the distinguished minority leader of the House back today from their constructive visit to the People's Republic of China.

Let me talk about new challenges. The issues I have discussed are the most pressing of the traditional agenda on foreign policy, but ahead of us also is a vast new agenda of issues in an interdependent world. The United States, with its economic power, its technology, its zest for new horizons, is the acknowledged world leader in dealing with many of these challenges.

If this is a moment of uncertainty in the world, it is even more a moment of rare opportunity.

We are summoned to meet one of man's most basic challenges—hunger. At the World Food Conference last November in Rome, the United States outlined a comprehensive program to close the ominous gap between population growth and food production over the long term. Our technological skill and our enormous productive capacity are crucial to accomplishing this task.

The old order—in trade, finance, and raw materials—is changing and American leadership is needed in the creation of new institutions and practices for worldwide prosperity and progress.

The world's oceans, with their immense resources and strategic importance, must become areas of cooperation rather than conflict. American policy is directed to that end.

Technology must be harnessed to the service of mankind while protecting the environment. This, too, is an arena for American leadership.

The interests and the aspirations of the developed and developing nations must be reconciled in a manner that is both realistic and humane. This is our goal in this new era.

One of the finest success stories in our foreign policy is our cooperative effort with other major energy-consuming nations. In little more than a year, together with our partners, we have created the International Energy Agency; we have negotiated an emergency sharing arrangement which helps to reduce the dangers of an embargo; we have launched major international conservation efforts; we have developed a massive program for the development of alternative sources of energy.

But the fate of all of these programs depends crucially on what we do at home. Every month that passes brings us closer to the day when we will be dependent on imported energy for 50 percent of our requirements. A new embargo under these conditions could have a devastating impact on jobs, industrial expansion, and inflation at home. Our economy cannot be left to the mercy of decisions over which we have no control. And I call upon the Congress to act affirmatively.

In a world where information is power, a vital element of our national security lies in our intelligence services. They are essential to our Nation's security in peace as in war. Americans can be grateful for the important but largely unsung contributions and achievements of the intelligence services of this Nation.

It is entirely proper that this system be subject to Congressional review. But a sensationalized public debate over legitimate intelligence activities is a disservice to this Nation and a threat to our intelligence system. It ties our hands while our potential enemies operate with secrecy, with skill, and with vast resources. Any investigation must be conducted with maximum discretion and dispatch to avoid crippling a vital national institution.

Let me speak quite frankly to some in this Chamber and perhaps to some not in this Chamber. The Central Intelligence Agency has been of maximum importance to Presidents before me. The Central Intelligence Agency has been of maximum importance to me. The Central Intelligence Agency and its associated intelligence organizations could be of maximum importance to some of you in this audience who might be President at some later date. I think it would be catastrophic for the Congress or anyone else to destroy the usefulness by dismantling, in effect, our intelligence systems upon which we rest so heavily.

Now, as Congress oversees intelligence activities, it must, of course, organize itself to do so in a responsible way. It has been traditional for the Executive to consult with the Congress through specially protected procedures that safeguard essential secrets. But recently, some of those procedures have altered in a way that makes the protection of vital information very, very difficult. I will say to the leaders of the Congress, the House and the Senate, that I will work with them to devise procedures which will meet the needs of the Congress for review of intelligence agency activities and the needs of the Nation for an effective intelligence service.

Underlying any successful foreign policy is the strength and the credibility of our defense posture. We are strong and we are ready and we intend to remain

so. Improvement of relations with adversaries does not mean any relaxation of our national vigilance. On the contrary, it is the firm maintenance of both strength and vigilance that makes possible steady progress toward a safer and a more peaceful world.

The national security budget that I have submitted is the minimum the United States needs in this critical hour. The Congress should review it carefully, and I know it will. But it is my considered judgment that any significant reduction, revision, would endanger our national security and thus jeopardize the peace.

Let no ally doubt our determination to maintain a defense second to none, and let no adversary be tempted to test our readiness or our resolve.

History is testing us today. We cannot afford indecision, disunity, or disarray in the conduct of our foreign affairs. You and I can resolve here and now that this Nation shall move ahead with wisdom, with assurance, and with national unity.

The world looks to us for the vigor and for the vision that we have demonstrated so often in the past in great moments of our national history. And as I look down the road, I see a confident America, secure in its strengths, secure in its values, and determined to maintain both. I see a conciliatory America, extending its hand to allies and adversaries alike, forming bonds of cooperation to deal with the vast problems facing us all. I see a compassionate America, its heart reaching out to orphans, to refugees, and to our fellow human beings afflicted by war, by tyranny, and by hunger.

As President, entrusted by the Constitution with primary responsibility for the conduct of our foreign affairs, I renew the pledge I made last August to work cooperatively with the Congress. I ask that the Congress help to keep America's word good throughout the world. We are one Nation, one government, and we must have one foreign policy.

In an hour far darker than this, Abraham Lincoln told his fellow citizens, and I quote: "We cannot escape history. We of this Congress and this Administration will be remembered in spite of ourselves. No personal significance or insignificance can spare one or another of us."

We who are entrusted by the people with the great decisions that fashion their future can escape neither responsibilities nor our consciences. By what we do now, the world will know our courage, our constancy, and our compassion.

The spirit of America is good and the heart of America is strong. Let us be proud of what we have done and confident of what we can do.

And may God ever guide us to do what is right.
Thank you.

NOTE: The President spoke at 9:04 p.m. in the House Chamber at the Capitol. The address was broadcast live on radio and television.

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**Remarks Upon Presenting the Robert H. Goddard
Memorial Trophy to the Skylab Astronauts. April 11, 1975**

LET ME say it is a great honor to participate in the award on behalf of the National Space Club. The Robert Goddard Award, of course, everybody knows, is the ultimate in recognition for great achievements in the field of space.

I looked over the list of previous recipients, and it is a superb group of individuals, individuals who have contributed most significantly over a long, long period of time, relatively speaking, to the success of our space program.

I can recall very vividly when the first vehicle was put in space, not by us but by one of our competitors. And I can recall very vividly the relatively small part that I played thereafter as a member of the select committee, Congressman Teague, in putting together the new organization, which we now know as NASA.

But, as a result of the reorganization of NASA and the excellent leadership that followed by the space committees and NASA itself, the United States has achieved a great role in space.

The Skylab is a great accomplishment, and it has proved, as all of you know, a number of things. First, that man can live in space 84 days, preceded, of course, by two other missions that went from 22 to 54 days. But in addition to proving that man can live in space, it brought back, through the three missions, information that is invaluable. We know a great deal more about space as a result.

We have continued the great thrust of our space program, and I wish to congratulate the leader of the third mission, congratulate him and, in turn, congratulate the other eight individuals who participated in these three historic missions.

I am glad to report that through Jim Fletcher's strong plea we have funded the space program reasonably generously. Let me say that we will help in every way we can to convince the Congress that they ought to keep it at that level.

Because of my experience both on the select committee that had some part

in launching our space program and through my experiences, as Tiger Teague knows, on the Defense Appropriations Committee where we did a good bit of funding for our related military operations, I am a complete believer in the accomplishments, the mission of a good, fine, forward-looking, visionary space program for America.

So, I am delighted to congratulate you, Colonel Carr, and let me read the citation as a part of the award given by the National Space Club here. The citation reads as follows:

"The Robert H. Goddard Memorial Trophy is presented to the nine Skylab astronauts for their exceptional accomplishments in the Skylab program. They demonstrated that man can live in space for an extended period. They established beyond question the preeminence of the United States in space exploration."

It is a great tribute to the nine who have participated. It is a great tribute to the people in NASA. It is a tribute, I think, to the Congress and administrations in the executive branch. And it is basically a reward for the faith that the American people have had in what we have to do in looking skyward, down the road, for a bigger and better world in which we can all live.

Congratulations.

NOTE: The President spoke at 12:30 p.m. in the Cabinet Room at the White House. Col. Gerald P. Carr, USMC, accepted the award on behalf of the astronauts.

In his remarks, the President referred to James C.

Fletcher, Administrator of the National Aeronautics and Space Administration, and Representative Olin E. Teague, chairman of the House Science and Technology Committee.

181

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation To Assist the Republic of Vietnam. *April 11, 1975*

I HEREBY transmit draft legislation to carry out the recommendations made in my April 10, 1975 address to the Congress with respect to Indochina.

The enclosed draft bills authorize additional military, economic, and humanitarian assistance for South Vietnam, and also clarify the availability of funds for the use of the Armed Forces of the United States for humanitarian evacuation in Indochina, should this become necessary.

I urge the immediate consideration and enactment of these measures.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate. The texts of three draft bills were included as part of the release.

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**Statement on the Evacuation of the United States Mission
in Phnom Penh, Cambodia. April 12, 1975**

IN VIEW of the seriously deteriorating military situation around the Cambodian Capital of Phnom Penh, and on the basis of the recommendations of the American Ambassador to the Khmer Republic, I have instructed the personnel of the U.S. Mission to leave Phnom Penh.

In accordance with those instructions, American personnel have been evacuated. I also authorized that a number of Cambodians whose lives would have been jeopardized if they had remained in Cambodia be evacuated with the American Mission.

I sincerely regret that there was not timely action on my request to the Congress to enable the United States to continue to provide the assistance necessary to the survival of the Government of the Khmer Republic. That Government had asked for this assistance and had clearly proven itself worthy of our help.

The United States wishes Cambodia to find its place in the world as an independent, neutral, and united country, living in peace. Our assistance was sought for that purpose. We also made numerous and vigorous diplomatic efforts, from the first to the last, to find a compromise settlement.

I decided with a heavy heart on the evacuation of American personnel from Cambodia because of my responsibility for the safety of the Americans who have served there so valiantly. Despite that evacuation, we will continue to do whatever possible to support an independent, peaceful, neutral, and unified Cambodia.

We can all take deep pride in the United States Armed Forces that were engaged in this evacuation operation. It was carried out with great skill and in a manner that reflects the highest credit on all of those American servicemen who participated. I am deeply grateful to them for a job well done.

Letter to the Speaker of the House and the President of the Senate Reporting on the Evacuation of the United States Mission in Phnom Penh, Cambodia. *April 14, 1975*

[Dated April 12, 1975. Released April 14, 1975]

AS YOU and other members of Congress were advised, in view of circumstances in Cambodia, the United States had certain contingency plans to utilize United States Armed Forces to assure the safe evacuation of U.S. Nationals from that country. On Friday, 11 April 1975, the Khmer Communists forces had ruptured Government of the Khmer Republic (GKR) defensive lines to the north, northwest and east of Phnom Penh and were within mortar range of Pochentong Airfield and the outskirts of Phnom Penh. In view of this deteriorating military situation, and on the recommendations of the American Ambassador there, I ordered U.S. military forces to proceed with the planned evacuation out of consideration for the safety of U.S. citizens.

In accordance with my desire that the Congress be fully informed on this matter, and taking note of Section 4 of the War Powers Resolution (P.L. 93-148), I wish to report to you that the first elements of the U.S. forces entered Cambodian airspace at 8:34 P.M. EDT on 11 April. Military forces included 350 ground combat troops of the U.S. Marines, 36 helicopters, and supporting tactical air and command and control elements. The Marines were deployed from helicopters to assure the security of helicopter landing zone within the city of Phnom Penh. The first helicopter landed at approximately 10:00 P.M. EDT 11 April 1975, and the last evacuees and ground security force Marines departed the Cambodian landing zone at approximately 12:20 A.M. on 12 April 1975. The last elements of the force to leave received hostile recoilless rifle fire. There was no firing by U.S. forces at any time during the operation. No U.S. Armed Forces personnel were killed, wounded or missing, and there were no casualties among the American evacuees.

Although these forces were equipped for combat within the meaning of Section 4(a)(2) of Public Law 93-148, their mission was to effect the evacuation of U.S. Nationals. Present information indicates that a total of 82 U.S. citizens were evacuated and that the task force was also able to accommodate

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35 third country nationals and 159 Cambodians including employees of the U.S. Government.

The operation was ordered and conducted pursuant to the President's Constitutional executive power and authority as Commander-in-Chief of U.S. Armed Forces.

I am sure you share with me my pride in the Armed Forces of the United States and my thankfulness that the operation was conducted without incident.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

184

Remarks at the Swearing In of the Membership of the Federal Election Commission. April 14, 1975

Members of the Congress, the designated members of the Commission, and guests:

It is a great privilege for me to participate in the actual swearing in of these six very distinguished individuals who will be undertaking a very serious responsibility.

The campaign reform legislation, which was enacted by the Congress in 1974, which I had the privilege of signing, is landmark legislation, and the responsibilities that these five men and this one most attractive lady have is a responsibility that I know they will take seriously.

It is a combination of individuals selected—two by myself and four by the Congress—who can really, in the months and years ahead, set a path for the kind of elections that we want.

We want clean elections. We want fair elections. We want the best people campaigning and the best results as the American people decide.

I have great faith in all of them. I know some better than others, but as I have looked over their records, I think the House and the Senate and the White House have selected fine people for a great, great responsibility.

So, with the best of good wishes for them to carry out this mission, I now ask Mr. Ratchford to perform the service of swearing them in.

NOTE: The President spoke at 12:45 p.m. in the Rose Garden at the White House. Executive Clerk John J. Ratchford administered the oath of office to Thomas B. Curtis, Joan D. Aikens, Robert Tiernan,

Vernon Thomson, Neil Staebler, and Thomas Harris. Commission Chairman Curtis' response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 379).

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Remarks at a Reception for Members of the National Commission on the Observance of International Women's Year, 1975. April 14, 1975

Members of the Congress, the House and Senate, members of the Commission, distinguished guests, ladies and gentlemen:

I apologize for being a little late, but I have spent a good share of the afternoon with a substantial number of members of two important committees of the Senate,¹ and so I am just late and I hope you will understand and accept my apology.

Well, I obviously am delighted to welcome such a talented group of women and men to the White House. The group that I have met in there that I had the privilege of inviting specially here, they, as well as all of you, represent a rich diversity of political, cultural, and experienced backgrounds. But it is most important that your common concern for upgrading the status of women transcends any differences that you might have.

Your work to promote the observance of the International Women's Year begins tomorrow. And with a very broad challenge to promote equality between men and women, I think you have got your work cut out for you—to ensure the full participation of women in the social-economic developments of this society, as well as to recognize their contributions to the development of world peace.

Although the growing concern about the special legal and social problems of women has paved the way for many, many new laws and important court decisions, real change, as I see it, will depend upon the caliber and the degree of enforcement. Laws alone, as we know in many, many instances, are not enough.

Statistics on the employment of women in Federal Government demonstrates,

¹ The President met first with members of the Senate Foreign Relations Committee to discuss United States assistance to Cambodia, and then with members of the Senate Agriculture and Forestry Committee and the House Agriculture Committee to discuss pending farm legislation which was in conference.

I think, the problems that remain in assuring true equal opportunity. While nearly one-third of all Federal employees are women, only 4.5 percent of the top level employees are women.

This Administration, as the records will show, recently reminded the heads of all Federal departments and agencies that a strong affirmative action is needed to see that everyone has the opportunity to compete on a fair and equal basis.

The Federal Government, in my judgment, has a very special responsibility and a special opportunity to set an example, and this we intend to do. I hear about that from Betty virtually every night. [*Laughter*] And I can assure you with that kind of prodding that this Administration will continue to vigorously pursue talented applicants on the basis of qualifications alone.

One of the most refreshing byproducts of the search to secure rights for women is the emphasis on freeing both sexes from restrictive stereotypes. Liberation of the spirit opens new possibilities for the future of individual Americans and the Nation.

I think there are several very critical areas that can benefit from your personal attention. When I look around this room, I know that the attention of this group can have a tremendous impact. One of these is the equal rights amendment, which I wholeheartedly endorse, having already voted for it.

I have had a special opportunity to follow the debate of ERA because Betty keeps talking about it at night. [*Laughter*] But it would be my observation that it has too often degenerated into some frivolous non-issues. An amendment to the Constitution calls for a very serious evaluation of the impact and the meaning of a proposed change.

As State legislatures convene this year, the ensuing debate over ERA should be a vehicle to inform legislators, and the public as well, on the many complex legal problems that women still encounter.

Myths about the protected economic status of women can be dispelled through serious discussion. The way can be opened, as I see it, for the review of areas that will not be affected by ERA.

You have a challenging and very critical task ahead. You can do much, in my judgment, to move the Nation along toward making justice and equality a reality for the American woman.

The restrictions on the rights, the restrictions on the responsibilities to one American affects all of us. A nation is only as strong, a nation is only as creative

as its citizens. The better we use the talents of all our people, women as well as men, the brighter and more secure the future of this great Republic will be.

I thank you for joining Betty and me, and we would like to jointly issue you an invitation to have refreshments in the State Dining Room.

Thank you very, very much.

I can tell who that applause is for, but she said I did very well. I want that on record because I don't get that very often. [*Laughter*]

NOTE: The President spoke at 6:39 p.m. in the East Room at the White House.

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Address at the Continental Congress of the Daughters of the American Revolution. *April 15, 1975*

Madam President General, members of the DAR:

Before I begin my formal remarks, I want to express my personal sense of loss at the sudden death of your late president general, Mrs. Henry Stewart Jones. Mrs. Jones, as all of you know, was a dedicated, serious patriot, a very great person. She will be greatly missed. But I hope that what I have to say today reflects some of the ideals she held and some of the concern she felt for our great Nation.

On a personal note, my mother was a proud and dedicated member of the DAR. I was proud to grow up in that tradition, and I was very proud to have this DAR background.

Obviously, it is an honor for me to address this great gathering. As descendants of the brave Americans who founded our Nation, each and every one of you have a proud heritage. But I think you would be the first to agree that this heritage belongs not only to the DAR but to all Americans inspired by our Nation's history. We all share a great common heritage.

Although you are the "daughters" of the American Revolution, all of us are, in a sense, the children, the heirs of the American Revolution.

This year, especially, as we prepare for the celebration of our Bicentennial, it would be good for all Americans to do some soul-searching about where we are going as a nation and what we are doing with the precious heritage of freedom that we inherited. This is a good time both to look backward and to look forward—a good time to take stock.

In so doing, we should not fall into the trap of blind nostalgia or persuading ourselves that America's best years are behind us.

There is a lot of negative talk like that going around in Washington and elsewhere. I think it can best be answered in one word: Nonsense.

The truth is that if we were to somehow travel back in time together to the American Revolution, we might be more shocked by the similarities than by the differences. If anything, times were tougher then.

We were a divided people. Many historians estimate that the colonists were split into three factions: those who favored independence, those who supported the royal cause, and those who straddled the fence, waiting to see which side would win.

Inflation was more than a serious problem during the American Revolution. It was a near-fatal disease. Printing-press money, the so-called Continental Dollar, was only worth a fraction of its paper value. Many farmers and merchants refused to accept it even from hungry American soldiers trying to buy provisions.

Too often, American armies were defeated, defeated in battle and driven to humiliating retreats. Disease, lack of equipment, and lack of training were chronic. We were dependent on foreign assistance for many of our weapons, uniforms, and equipment—and even for foreign advisers to train our troops.

If the French Government had not spent millions to help equip American forces and if we had not been assisted by a French army and a fleet at Yorktown, the American Revolution might have dragged on inconclusively for many, many years.

Yet, out of all of the suffering and uncertainty, a new nation was born and grew up into one of the biggest and most powerful nations in the history of the world.

Character had a lot to do with it—the courage and vision of men like Washington, shared by thousands of soldiers and the valiant, patriotic women who sustained their fighting men, as they have in all struggles, with their work and with their prayers.

Values were also very, very important—the moral imperatives and political ideals that were expressed with such eloquence by Patrick Henry and Thomas Jefferson and with such clarity by Alexander Hamilton and James Madison.

And Divine Providence also had something to do with it. Nor were our forefathers ashamed to acknowledge their debt to this source of strength in their dire time of trouble.

Call it Divine Providence or call it destiny, 13 small colonies clustered along the Atlantic coast somehow managed to produce one of the most brilliant

generations of leaders known to history—the soldiers, the statesmen we know as the founders of this great country.

But even more remarkable than the genius of the founders themselves is the fact that generation after generation of Americans have continued to build on the foundation that they left us. Fortunately for us and for the world, we have never lost sight of their great dream.

Other countries, of course, have had brilliant leaders. But no other country can point to two centuries dedicated to expanding and perfecting a continuing revolution in a free society. This is what makes America unique in the history of nations. And that is why, although our experience in Indochina has been one of heroic sacrifices and great disappointments, I am convinced that we can and will emerge from this ordeal stronger and wiser as a nation, just as we have from others even greater in the past.

This brings me to the soul searching, the inventory of opportunities, of challenges before us today. How do we stand today, and are we still on the right course? It would be impossible for me in the time here to go over every single issue—political, military, diplomatic, and economic—that this question raises. So, let me focus, if I might, on just one of them—our national defense. I ask this question: Are we strong enough today? And just as important, will we be strong enough tomorrow?

According to a recent poll, some Americans have questions about our world position and the cost of maintaining that position. The poll indicated that Americans want the United States, and I quote, “to play an active role in the world.” Yet, at the same time, they believe the defense budget should be reduced. Some want it emasculated.

Americans still believe that being strong militarily is important. They want, in the words of the poll’s report, “a powerful and militarily secure standing for the United States in the world.” What they don’t like is the price tag that comes with it.

This is a basic dilemma. When a nation wants to achieve contradictory goals, such as military security and less defense spending, sooner or later citizens must make a choice.

It is becoming fashionable in some quarters to charge that military force is outmoded in the modern world. It is argued, for example, that modern weaponry, especially nuclear armaments, are too destructive to use and that, therefore, they won’t ever be used.

Further, it is argued, when we have applied military power, it has not produced the results we wanted, such as in Southeast Asia.

Finally, it is said that we are unlikely to be attacked in any event. Détente, according to this kind of reasoning, guarantees that future conflicts will be nonviolent ones, which may be settled by negotiation.

It is my judgment that these arguments ignore a basic fact of international politics, one that has been proven repeatedly throughout history: National interest can be guarded only by national strength. In a conflict-ridden world, national strength, in the broadest sense, must be supported by military strength.

It is often overlooked that détente—the process of reducing tensions with the U.S.S.R.—has been possible only because of U.S. strength and U.S. resolve. It was after a prolonged period of cold war testing and confrontation, during which the United States and the rest of the Western World stood fast, that it became possible to move forward with the U.S.S.R. in negotiations aimed at reducing the chances for grave miscalculations and reducing the risk of nuclear war. In these negotiations, we have safeguarded our vital defense interests. To weaken our defenses is to weaken one of the foundations of détente.

A posture of deliberate weakness is most dangerous when the worldwide military balance threatens to deteriorate. But at any time, weakness would be folly for the United States, a great nation with interests spanning the globe.

If we were to cut ourselves back to such a weak posture, as some recommend, we would soon find ourselves paying an unacceptable price. We cannot shrink our economy back to pre-1939 dimensions. We cannot turn our back on the rest of the world as we foolishly sought to do in the 1930's.

Like it or not, we are a great power, and our real choice is whether to succeed or fail in a role we cannot shirk. There is no other nation in the whole free world capable of stepping into our role.

If we conclude, as I believe we must, that we still need a strong national defense, the next issue is quite obvious: How much and what kind?

The answer depends on continuing, vigilant assessment of the defenses needed to safeguard this great Nation—an assessment measured in terms of the intentions and capabilities of potential adversaries and the common strength forged by our alliances. Our nuclear deterrent must be gaged against the nuclear capabilities and the intentions of others and, in particular, the Soviet Union.

It is for this reason that the SALT negotiations and the Vladivostok agreement I signed with General Secretary Brezhnev are of such importance. We are working responsibly to put a cap on the nuclear arms race. Similarly the amount and the type of conventional forces required will depend on our continuing ability to maintain a truly effective national defense. It will also depend on our ability to meet our security commitments and on our ability, with our

allies, to work with the Warsaw Pact nations toward reductions in forces which will increase the prospects for international stability.

It is of fundamental importance to both the United States and to the world that the strategic balance be maintained, and strategic nuclear forces are the foundation of our defense. We will work toward further strategic arms limitations; we will maintain a strategic arms balance. Neither we nor our allies can afford the consequences if this fundamental balance shifts against us. I promise you that no defense budget I submit to the Congress will ever sell us short or shift the balance against the United States of America.

I respectfully call upon each and every Member of the Congress, House and Senate, to make the same pledge, for our survival as a nation could well depend upon it. I call upon you to let your Senators and Congressmen know how you feel individually and collectively. Let us never forget this: that our Pledge of Allegiance is to one nation indivisible—not one nation indefensible!

In the area of conventional forces, we also confront some difficult challenges. Our troops in Europe, for example, are a key element in shielding Europe from military attacks or pressure of one kind or another. Present force levels are necessary to maintain a satisfactory conventional military balance between the Alliance on the one hand and the Warsaw Pact nations on the other. Unilateral reductions by the United States would upset that balance and constitute a major political change. The United States has agreed with our allies that there will be no unilateral troop reductions, except through mutual negotiations.

Our troop levels in that part of the world are not an obstacle to improved East-West relations in Europe. On the contrary, a stable military balance has been the starting point for hopeful new diplomacy.

For their part, the Europeans contribute the largest part of the conventional defense of the Alliance. Unilateral U.S. reductions would undercut their efforts and would undermine confidence in the United States for the support of the Alliance.

There are two other crucial areas of conventional forces necessary to maintain our side of the strategic balance: one, our long-range airlift capability, and sea-power.

If we are to sustain our ability to react appropriately to threats to our interests from faraway shores, we may need to increase our already considerable ability to airlift troops and supplies long distances.

The United States and its allies depend heavily on the freedom of the seas for trade and for commerce. Thus, it is vital for us to maintain a full range of capabilities on the many oceans of the world.

Last summer, the Atlantic Alliance celebrated its 25th year—a quarter of a century anniversary—25 years of peace through strength on the European continent. To mark the occasion and to reaffirm our collective resolve, we joined with other member nations in a declaration of Atlantic relations. I will be meeting personally with allied leaders in the very near future to seek further progress toward our common goal—a peaceful and a secure free world. But neither NATO nor the United States can guarantee a peaceful and secure free world if we allow our defenses to erode.

Now, what about the pricetag? What is it costing us to maintain our military strength? Critics of a strong defense say that the defense budget is higher than ever. But the truth is—and this we must understand and we must tell others—in terms of what each dollar will buy, the defense budget is now lower than any time since 1964, prior to our Vietnam buildup. The reason for this is that inflation has taken just as high a toll of the defense dollar's purchasing power as it has from every family, from every business, from every community.

Take away the effects of inflation and real pay increases, which are necessary to recruit our new all-volunteer forces, and what is left of the defense budget has actually declined in purchasing power during the last 4 years.

For example, in 1968, defense spending represented about 60 percent of our total Federal Government spending. Today, it is down to about 27 percent.

We cannot afford, as I see it, to let our defense strength slide down while other nations build up their forces. It is the obligation, as I see it, of each of us to keep America strong—the obligation of the Congress, of this Administration, and of each American concerned about the future of his or her great country. And I pledge to you as solemnly and as strongly as I can that I will do my part, and I am sure each and every one of you will do your part.

A great hero, who led our people both in war and in peace, Dwight Eisenhower, once said that a true posture of defense is composed of three factors—spiritual, military, and economic.

We have the economic and industrial strength it takes to keep America a first-rate power.

Spiritual strength is less tangible. It is hard to measure in any exact way. But I can tell you this: I have traveled to just about every corner of America since becoming President. And, everywhere, I found the same confidence, the same good spirit, and the same willingness to pull together to make this an even greater and better country. That is the American spirit that we can be proud of today, as we have in the past.

Yes, we have our problems, our doubts, and some have many questions.

Yet, we also have the strength to ask tough questions and to seek honest answers, painful though they may be. And the American people still have the character and the vision that was tempered in the forge of the Revolution 200 years ago.

Finally, there is our actual military establishment. I have already talked this morning about some of the hardware and some of the costs. I will just add that I don't think we have ever had finer, better motivated men and women serving under the American flag than we have today, and I have met a lot of these fine young people, and you and I should be very, very proud of them.

They are of the stock which George Washington would have been proud to command. The commanders of today are proud of them.

George Washington made the point that I have tried to put across today. "To be prepared for war," George Washington declared, "is one of the most effective means of preserving peace."

Peace is what we are really talking about, the building of peace and the preserving of peace. And only a strong America can build a strong and durable peace.

And as I conclude, let me say this: As children of the American Revolution, we owe this both to the patriots who came before us and to the generations who one day will inherit from us all that we have achieved together in two centuries of struggle.

Thank you very much.

NOTE: The President spoke at 11:30 a.m. in Constitution Hall. In his opening remarks, he referred to Mrs. Wakelee R. Smith, president general of the

National Society of the Daughters of the American Revolution.

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Remarks at the Annual Republican Party Senate-House Fundraising Dinner. April 15, 1975

Thank you very, very much, Ted. Mary Louise, Guy Vander Jagt, distinguished Republican leaders in the House and Senate, Members of the House and Senate, distinguished guests, ladies and gentlemen:

Really, it is a tremendous privilege and a pleasure for me to be here tonight, especially with Betty. And both of us thank you from the bottom of our hearts for your warm welcome and your contributions to what both of us think is a great cause, the cause of a better America through the kind of political partici-

pation that you can make—and many others we hope will make—in the months and days ahead.

Ted, I am especially pleased with your kind observations and introduction. Personally, I have always felt a very special affinity for the great State of Alaska, because there is something about Alaska's weather that always makes me a bit nostalgic.

Alaska's weather always reminds me of all those Democrats who used to say it will be a cold day when Jerry Ford becomes President. Well, I might just keep this cold wave going a little longer than they think. [*Laughter*]

Incidentally, you may be interested to know that another one of the Democratic candidates is getting ready to give up the race. I won't say who, but yesterday he told Bob Strauss, the Democratic National Chairman, "I am getting very discouraged." You know Bob Strauss is a great guy and, as Mary Louise knows, a fine chairman, and he is an optimist. He said, "Why?" And the candidate said, "Why? I will tell you why. In the last Gallup poll, 1,500 votes were cast, and I got 13." Bob Strauss said, "This is no time to get superstitious." [*Laughter*]

Really, as I indicated at the outset, it is a great privilege and pleasure to be here tonight. And in the great spirit of the times, let me welcome each and every one of you to the Republican Party's first, no frills, economy, \$1,000-a-plate dinner.

But thinking positively, how often can each and every one of you go home from a dinner like this and realize that every carrot you left on your plate cost you \$14.75?

But before proceeding one word further, I want to make an announcement—and I haven't consulted with Betty—but she, you know, feels very strongly about the Republican Party, as I do, and very strongly about equal rights. I have her checkbook here. [*Laughter*] And by law, I am authorized to sign her name. She has authorized me to sign her name for a \$1,000 contribution for her part in this dinner tonight.

But to prove my own willingness to be a participant—and I believe so strongly in the Republican Party that I am as delighted as Betty is—and to set a precedent, here is my check out of my bank account for the Republican cause.

Now, Mary Louise, I haven't filled in anything except our signatures, but I will rely on your good judgment to do just that. I don't believe in freeloaders.

Well, obviously, I am delighted to see so many old friends here tonight, as well as some new ones, both from the House as well as from the Senate. And I congratulate those who are new in the legislative branch.

May I express a very special welcome to all of those who have made a contribution and participated in making this dinner possible.

I think all of us recognize that the new campaign laws created a new ball game in financing House and Senate races. As a contributor, each and every one of you are limited to a maximum contribution of \$1,000 for each candidate for each Federal office.

In practice, this means—and I think we have to be cognizant of the problem—that our party must attract even more thousands of small, individual contributors. Our record in the past of such broad support is really excellent despite some of the things that are written. And as I look at what I know has happened in my own Congressional district and in our State and even nationally, I am proud of what we have accomplished.

But the facts of life are if we are to compete, we must do infinitely better. I believe this trend to a larger number of small contributors will be a great blessing.

It has long been my conviction—and I am sure Ted and Guy and Mary Louise share it—that anyone who gives as little as \$1 becomes committed by this individual action to helping either a candidate or a party.

By your presence here tonight—and I thank you and I am most grateful—each and every one of you are demonstrating the long-time faith all of us—those of us here on the platform as well as you—share in a party with principles and its most fundamental goals.

Obviously, I am delighted to have seen so many young people. I had the privilege, during dinner and before, to meet many of them, so many young people from many States here this evening.

I don't like to say something that isn't a matter of record, but it is. I was an early sponsor of lowering the voting age to 18. Now, some throughout the country disagreed with that point of view in those days when we were battling that issue, fearing that young people would automatically vote for the other party. But I felt then, and I feel even more strongly now, that the intelligent judgment of youth would attract very, very many—in fact a majority—to our party. And I must say, as I have looked at some of the statistics, that I am gratified with the results, and I am optimistic that we will do even better in the future.

Young people today are a vital source of new Republican energy, Republican idealism, and Republican ideas. To young Republicans everywhere, I say we welcome you and, most emphatically, we need you.

As Ted, Guy, and Mary Louise have said, the proceeds from this dinner go

to the Republican National Committee and to the House and Senate campaign committees, whose combined efforts are vital to our goals.

Now, after 8 months in the White House, I know better than anyone—and I mean anyone—the importance of Republicans in the Congress of the United States.

I promise you this: I do not choose to run in 1976 for myself alone. My 1976 campaign will be for all Republicans everywhere, from the local to the State to the national level.

This dinner tonight brings a broad resurgence of Republican strength everywhere, but especially in the House, the Senate, and the State capitals. It is vital to our Administration and to our entire Nation that we work at every State and every precinct to restore balance, which I think is essential in our national political system.

We will be partners in a common and a very crucial cause—the cause of a Republican victory.

The one thing that I learned in the hard contest once every 2 years, in more than a quarter of a century of political involvement, is that prospects for victory are seldom so bleak or so good as they seem when you are in the thick of a fight. Time after time after time a supposedly ruined party has been rebuilt and returned stronger than ever on each occasion. And repeatedly, candidates once considered unbeatable have been beaten.

Now, quite frankly, looking over the hopeful Democrats in the Presidential sweepstakes, frankly I don't see any who are unbeatable.

As some of you may remember when I, in January of 1965, became minority leader, we were outnumbered 295 to 140 in the House. Those odds were unbelievable, and Ev Dirksen had even, as I recollect, worse odds in the United States Senate.

Yet, 2 years later, when the House next assembled, there was 248 to 187, a net gain of 47 seats for Republicans. And in the Senate we made some gains as well.

What I am saying is—and we should remember this as we challenge the philosophy, the views of those that are in the political arena—if we have good candidates, if we have the right principles, we have done it in the past, we can and we will do it again.

So, if I might, let me make a prediction or two. This is based on some experience. As the economy continues to improve this year and next—and it will—we will be in good shape in November of 1976 to win local, State, and national

seats and Governorships all over this great country. And they are vital and important as we look down the road.

But for 1975, there is a lot of spadework to be done. By your being here tonight, you have contributed a significant amount. The Republican Party, as I see it, must reach out as never before to attract new voters, nonvoters, Independents, and Democrats deserted by their leadership.

Our task is not merely to strengthen our party and to broaden its appeal, as we must, but also to reverse a very dangerous trend which finds Congressional elections won or lost with less—and it is almost unbelievable—won or lost by less than half of our voting-age citizens actually voting.

The natural question is, what should we do about it? What can we accomplish as we look at the problem?

As a starter, we can use this time before the next national election to rebuild the Republican Party into a strong competitor in the two-party system, which has proven over many, many years in the long haul, if you want to call it, to be the best political system in the history of mankind.

Let us resolve from this night on, if we may, that our party's primary goal should be to attract the broadest spectrum of people sharing our basic beliefs.

It is my judgment, I have no apologies for it, I really believe it; for the strength of America lies not only in its diversity but also in its unity. The ultimate strength of our party lies in its commitment to principle.

Our effort to broaden the base of our party does not mean that we must abandon traditional Republican principles—far from it. It means, instead, that we have to clarify and emphasize those principles so that all persons of like political interests can join in supporting the candidates of the Republican Party, because if we don't have candidates and we don't have elected candidates, all of our efforts really are to no avail.

So, let me give you just, if I might, three principles or thoughts, if I might, on some fundamental Republican principles.

First, Republicans have a long-demonstrated commitment to the free enterprise system and fiscal responsibility by the Federal Government. The record is replete, and the facts are that you can't have one without the other. For too many years, the country has been headed in the wrong direction. Constantly increasing deficits and unchecked spending have been milestones on the road to economic disaster.

As I see it, despite our present traumatic experiences both at home and abroad, we must move in a new direction, a Republican direction, toward budgetary discipline and fiscal restraints.

That doesn't mean fiscal restraint one day and fiscal irresponsibility the next. It is a consistent, strong pattern of fiscal responsibility day after day after day, and that is the way we will win.

The one thing we must do—and I speak very candidly—is to slam the brakes on some of the spending schemes that I see coming down the legislative agenda in the House as well as in the Senate, promoted primarily by the Democratic majority in the Congress, schemes which could, as I add the figures, run the 1976 budget—a 12-month budget—up by as much as \$100 billion.

Can you imagine a deficit, which is totally possible if we don't put the clamps on, of \$100 billion? What concerns me is that if we add a little every day, a little every day, a little every day, a little more every day—all with individual good promise and good prospects and good intentions—pretty soon it is a \$100 billion deficit. That ought to scare us all. It scares me.

A \$52 billion deficit is bad enough, and I am not proud of it, but every time Congress acts to add a little, a little, a little, it gets worse and worse and worse.

So, I ask you in all honesty that we end these schemes, that we hold the lid. If we don't—and I say this with the deepest conviction as I look down the road with all the prognostications of experts—if we don't do something in a relatively short period of time, one-half of all Americans will be living off the taxes of the other half of Americans. Is that what you want your government function to be? I don't think so.

May I add very quickly: Never forget, a government big enough to give us everything we want is a government big enough to take from us everything we have.

A second principle upon which Republicans are agreed—although I do not want to suggest it as a partisan principle, because many fine Democrats also support it and I thank them—is the need for a strong national defense posture as the only sure way to a peaceful world.

At a time of international uncertainty and stress such as the immediate present, the need to keep our military forces strong and alert should be obvious to every American.

We must guard our own national security and maintain the mutual strength of our alliances in Western Europe and in the Far East, keep our vital commitments to long-term friends, and keep pace in research and development of future defense systems if our recent progress toward reducing the dangers of war is to continue. Obviously, an essential element of our modern national security system is a sound intelligence system. And I do not intend to permit ours to be either publicized or paralyzed in times like these.

The third Republican article of faith I would mention is our basic theme or our basic belief in freedom—the freedom of States and local governments to make their own decisions and the best use of their resources, the freedom of employees and employers to reach their own economic terms without government coercion, the freedom of every individual to aspire and to achieve his own goals within his own concepts of a good life.

I say that freedom is an article of faith because it is on trial throughout the world tonight. It is no more certain now that it was for our forefathers who founded this great Republic.

When the drafters of that historic document—the Constitution of the United States—finished their work in Philadelphia in 1787, Benjamin Franklin was recognized as he left the hall, that historic hall, by a crowd of curious citizens gathered outside: “What kind of a government have you given us, Dr. Franklin?” a woman’s voice called out. “A republic, madam,” Benjamin Franklin replied, “if you can keep it.”

We have kept it now for almost 200 years through many triumphs and quite a few tribulations.

Once, when it seemed almost lost—and history tells it vividly—the Republic was saved by a man who came from the people and whose faith in the people, in all people, never faltered. I will not claim that Abraham Lincoln belongs to our Republican Party, for actually, I think he belongs to all Americans. But I do urge, and I say it as strongly and as emphatically as I can, that our Republican Party remain faithful to the principles of Abraham Lincoln.

On those principles, Republicans can and will unite, Republicans can and will increase their numbers and their political strength, Republicans can and will come back to win in 1976.

Thank you very much.

NOTE: The President spoke at 10:15 p.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to Senator Ted Stevens, chairman of the National Repub-

lican Senate Committee, Mary Louise Smith, chairman of the Republican National Committee, and Representative Guy Vander Jagt, chairman of the National Republican Congressional Committee.

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**Message to the Senate Transmitting a Protocol to the
International Coffee Agreement of 1968. April 16, 1975**

To the Senate of the United States:

I am transmitting herewith, for the advice and consent of the Senate to acceptance, the Protocol for the Continuation in Force of the International Coffee Agreement of 1968, as Extended. This Protocol, which was adopted by the International Coffee Council in its Resolution Number 273 of September 26, 1974, contains no operative economic provisions, but preserves the structure of the International Coffee Organization through September 30, 1976, or up to 12 months beyond that date if the conclusion of a new Coffee Agreement has progressed to the degree specified in the Protocol. Without this Protocol, the Coffee Organization would expire on September 30, 1975. The United States signed the Protocol at the United Nations Headquarters on January 15, 1975.

The purpose of this extension is to continue the International Coffee Organization as a source of statistical information and technical studies on developments in world coffee markets and as a forum for discussion and eventual negotiation of a new coffee agreement whenever producing and consuming countries determine such action would best serve their common interests. This Protocol will preserve twelve years of institutional cooperation between seventeen major consuming countries (of which the U.S. is the largest) and forty-two producing nations of the developing world who rely on coffee exports for a significant portion of their foreign exchange earnings. In 1973, for example, coffee exports from ten major Latin American producers earned over \$2.5 billion and six Latin American countries obtained more than 20 percent of their foreign exchange from coffee. In that same year, the United States imported 37.3 percent of all coffee in world trade and 39.1 percent of Latin American coffee exports.

I believe that continued United States participation in the Coffee Agreement will serve both our foreign policy and our consumer interests. It will reaffirm our commitment to cooperate with the developing countries on this matter of vital interest to them. As the largest consuming nation, it will guarantee us a substantial voice in discussions and negotiations for a new coffee agreement. Preliminary work for such negotiations started in early January 1975. I am hopeful that the constructive spirit which has characterized the International

Coffee Organization in the past will enable producing and consuming countries to again harmonize their interests in a mutually beneficial accord.

I am also transmitting, for the information of the Senate, the report submitted to me by the Department of State explaining the provisions of the Protocol extending the International Coffee Agreement of 1968, as Extended, and providing background on the current state of the world coffee economy.

I, therefore, recommend that the Senate give early and favorable consideration to this Protocol and give its advice and consent to acceptance.

GERALD R. FORD

The White House,
April 16, 1975.

NOTE: The protocol and accompanying papers are printed in Senate Executive B (94th Cong., 1st sess.).

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Remarks and a Question-and-Answer Session at the Annual Convention of the American Society of Newspaper Editors. *April 16, 1975*

President Hays, distinguished editors, and guests:

I am very, very pleased to be with you today and to have this opportunity to continue a dialog, which has been my pleasure in many parts of the country with many of you in various regional meetings during the past few months.

Those exchanges and the one which will begin shortly are exceedingly valuable to me in providing an insight into the attitudes and the concerns of the people who are your readers and my constituents.

FOREIGN POLICY

[1.] Before answering the questions put to me by the distinguished panel, let me add, if I might, a few comments to the speech that I made to the Congress last Thursday night and to the American people.

Let me, if I might, express in broad terms some deep beliefs that I have.

First, I firmly believe that the United States must play a very major role in world affairs in the years ahead. It is a great and difficult responsibility, but it is one, in my judgment, that our Nation must continue to have. This has been my conviction, going back to my first political campaign in the fall of 1948. It was my conviction when I took my first oath of office on January 3,

1949. For a period of better than 25 years in the Congress, as a Member of the House, and part of that time as a leadership role in the minority party, it has been my conviction.

As long as I am President of the United States, I will seek to carry on that very important responsibility of our country. I believe to be successful in this effort, this endeavor, the Congress and the President must work together.

It is my belief that if we are to be successful in the achievement of success in the area of foreign policy, the American people, to the degree that they can, must be united.

I also believe that our foreign policy, if you look at the record—at least during the period that I was honored to be a part of our Government in the Congress or in the executive branch—that our foreign policy has been a successful one.

Of course, there have been some instances where we did not achieve all that we sought, in some cases because the circumstances were well beyond our control. In a few instances where we have not been as successful as we would have liked, I think we self-inflicted some problems that helped to bring that unfortunate result.

I also believe to maintain peace and to ensure it, certainly in the future, the United States must remain strong militarily. We must have a broad, strong, well-led military establishment—and I include in that an intelligence system that can be extremely helpful to me and to Presidents in the future.

I believe also that we must work with friend and foe alike. We have many, many friends throughout the world. We have some potential adversaries. And we have some that are true adversaries. But if we are to achieve what we all want, we have to work with all.

It is my strong belief that we can achieve unity at home. I see no reason why the Congress and the President cannot work together. That doesn't mean that all 535 Members of the House and Senate will agree with me. But I can assure you that what I have said on more than one occasion, I believe and I will try to implement, that I will work with the Congress, and I know many, if not all, in the Congress will try to work with me.

If we do get this unity at home and if we do develop a closer relationship between the President and the Congress, I think we can continue a successful foreign policy in building a better world and achieving, on a more permanent basis, peace for all.

Thank you very much.

Mr. Reston [James B. Reston, New York Times].

QUESTIONS

CAMBODIA AND THE REPUBLIC OF VIETNAM

[2.] Q. Mr. President, two points. There is a story on the ticker this morning out of Geneva that the Cambodian Government has asked for a cease-fire and that this information has been passed to Prince Sihanouk in Peking. Could you tell us anything about that, sir?

THE PRESIDENT. Mr. Reston, I just received a note from one of my staff members, Ron Nessen, indicating that we had gotten the information after I had left the White House to the effect that the Cambodian Government has communicated with Sihanouk indicating that the Cambodian Government will work with the Khmer Rouge to try and negotiate a settlement.

It is my recollection, from a quick look at that information that was given to me at the luncheon table, that Prince Sihanouk is in no position to really achieve or accomplish the results that we all want, namely, a negotiated settlement in that unfortunate situation.

I can only say from our point of view we will help in any way we can to further negotiations to end that conflict.

Q. On that same point, could I ask you whether you have been in touch with the North Vietnamese about a cease-fire in South Vietnam or with any other governments to try to bring that about?

THE PRESIDENT. Well, over a period of time, we have communicated with all of the signatories of the Paris accords, which were signed in January of 1973. The efforts that we have made are broad and comprehensive. And when I say we have indicated our feelings to all signatories, of course, that includes the North Vietnamese.

Mr. Funk [R. D. Funk, Outlook, Santa Monica, Calif.].

Q. Mr. President, is the United States in direct contact now, in a situation of negotiation, with the North Vietnamese for a cease-fire around Saigon?

THE PRESIDENT. We are not in direct negotiations in that regard.

Q. Thank you.

PEOPLE'S REPUBLIC OF CHINA

[3.] Q. Mr. President, when a delegation of the American Society of Newspaper Editors was in China the last time around, there was considerable

emphasis placed by the Chinese leaders, leading all the way from Premier Chou on down, that no firm relationship with the United States was possible until Taiwan, so to speak, was taken out of the picture and placed under Chinese rule. Now, you are going back to China. Is that part of your agenda?

THE PRESIDENT. The relationship between the United States and the People's Republic of China, which was reopened several years ago, is predicated on the Shanghai communique. This relationship is continuing, I would say, on schedule.

I am going back to the People's Republic late this fall. I was there for about 2 weeks in June and July of 1972. I would say that no firm agenda for that forthcoming meeting has been established. So I am not in a position to comment directly on the question that you ask.

FOREIGN POLICY

[4.] Q. Mr. President, you have reaffirmed your confidence in the present American foreign policy, but I wonder if you could expand on that just a little bit. Are we committed to containing communism around the world? Are we committed to a heavy program of economic aid? Are we committed to a heavy program of military aid? Will we get into armed intervention in desperate cases?

THE PRESIDENT. We are committed to a furtherance of our policy of détente with the Soviet Union. I think that policy is in our mutual interests. It won't solve all the problems where either we or they are involved, but it has helped to reduce tensions.

It has helped in other ways where our joint cooperation could be helpful. We do, as a country, at least while I am President, expect to continue our relationship with Western Europe, with NATO.

We hope to strengthen it. We hope to eliminate some of the current problems, such as the problem between Greece and Turkey at the present time over Cyprus. We do expect to continue working in the Middle East, which includes some economic aid, some military assistance for various countries in that area of the world.

I think we have an obligation to continue to have a presence in the Pacific, in Latin America, in Africa. It is my judgment that in each of these cases, we will probably continue both economic and military assistance on a selective basis.

I am not saying this is the containment of communism. It is a furtherance of the policy of the United States aimed at our security and the maintenance of peace on a global basis.

VIETNAM CONFLICT

[5.] Q. Mr. President, in response to Mr. Kirkpatrick's [Clayton Kirkpatrick, *Chicago Tribune*] question, you mentioned our policy of détente in an affirmative way. The Chinese and Russian military aid to the North Vietnamese has been placed at approximately \$1.5 billion. My question is, does that violate the spirit of détente, and if so, of what purpose is détente?

THE PRESIDENT. I think it is worthwhile to point out that none of the signatories to the Paris accords have sought to enforce the violations (provisions) of those accords, including, of course, the People's Republic of China and the Soviet Union.

In the agreement that was signed in Paris in January of 1973, the United States, as part of its agreement with South Vietnam, agreed to supply replacement war materiel, to give economic aid. The Soviet Union and the People's Republic of China, I assume, made the same commitment to North Vietnam.

It appears that they have maintained that commitment. Unfortunately, the United States did not carry out its commitment in the supplying of military hardware and economic aid to South Vietnam.

I wish we had. I think if we had, this present tragic situation in South Vietnam would not have occurred.

But I don't think we can blame the Soviet Union and the People's Republic of China in this case. If we had done with our ally what we promised, I think this whole tragedy could have been eliminated.

But nevertheless, we hope to and are working through the countries that are a part or were a part of the Paris accords to try and achieve a cease-fire, and will continue to do so.

REPUBLIC OF VIETNAM

[6.] Q. On that point, you have asked for more than \$700 million worth of military aid. Now, there is some obvious psychological and symbolic reason for simply asking, but militarily speaking, if you could get the package through Congress and get it to South Vietnam, would it militarily do any good at this point?

THE PRESIDENT. I am absolutely convinced if Congress made available \$722 million in military assistance in a timely way by the date that I have suggested—or sometime shortly thereafter—the South Vietnamese could stabilize the military situation in South Vietnam today.

Q. Mr. President, you keep talking about commitments and promises, and we are getting hung up on these words. In the light of this controversy, why should the Thieu-Nixon correspondence not be released?

THE PRESIDENT. It is not the usual custom for correspondence between heads of state, as I understand it, to be released. I can say from my own experience, not referring to the correspondence to which you refer, that if it is expected that such correspondence will be public, I think on some occasions or in some instances you would have to compromise on what you would say. I think that would be true of any correspondence that I received from any other head of state. If you are going to have a frank, free exchange, I think it has to be between the heads of state.

Now, I have personally reviewed the correspondence to which you refer between President Nixon and President Thieu, and I can assure you that there was nothing in any of those communications that was different from what was stated as our public policy.

The words are virtually identical, with some variation, of course, but the intent, the commitments are identical with that which was stated as our country's policy and our country's commitment.

REPUBLIC OF CHINA

[7.] Q. Sir, on that question of your trip to Red China that Mr. Isaacs [Norman Isaacs, News Journal, Wilmington, Del.] raised, it seems that down the road it has been speculated that the policy or the purpose of détente is to establish normal diplomatic relations with a country that you described last Thursday as having one-quarter of the population of the world. That would assume the establishment of an Embassy in Peking which would automatically assume the derecognition of some kind of Taiwan. If that is in the cards, what kind of guarantees would you seek, what kind of quid pro quo would you seek from Peking to insure the continued existence of Taiwan?

THE PRESIDENT. I honestly don't believe that I should discuss, under these circumstances, any of the agenda or any of the details of the continuation of our relations with the People's Republic of China.

We have excellent relations, as I am sure you know, with the Republic of China. We value that relationship. We are concerned, of course, and will continue to be concerned about the Republic of China's security and stability. And it doesn't seem to me at this time, in this forum, that I should discuss any negotiations that might take place between the United States and the People's Republic of China.

Q. But it is our policy for the continued existence and guarantee of the defense of Taiwan. Is that our continuing policy?

THE PRESIDENT. I said, and if I might I would more or less repeat it, that we do value that relationship between the United States and the Republic of China. I think that is best indicated by the high-level delegation that I sent for the funeral services of Chiang Kai-shek. I believe that having sent Vice President Rockefeller there, with the others that were included, is a clear indication that we consider our relationship, our cooperation with the Republic of China a matter of very, very great importance to us.

ADMINISTRATION POLICIES

[8.] Q. Mr. President, you referred to the tragic situation in Vietnam. It seems to many of us that it flows in part from what is obviously a profound credibility gap between the majority of American citizens and all of the various arms of what we can call the society's establishment. I include the press in this unease which grips the American people, and certainly it is clear that this Administration is regarded by many in the society as uncertain, inconsistent, and even confused. My question, sir, is whether the reports coming to you match this picture that I described in any way?

THE PRESIDENT. Well, if I understand the question, I—[*laughter*]—

Q. I can make it clearer, perhaps.

THE PRESIDENT. Why don't you make it crystal clear? [*Laughter*]

Q. Sir, the Administration is regarded by many in the American electorate as inconsistent, uncertain, and confused.

THE PRESIDENT. I categorically deny that we are. [*Laughter*]

I must say that if that is the perception, this is not the first administration that has had that problem. [*Laughter*]

I don't think we are inconsistent and confused on an economic policy. I don't think we are inconsistent and confused on an energy policy. And I don't believe, under any circumstances, that we are inconsistent and confused on foreign policy.

I would be glad to take them one by one, if you would like me to set forth in detail, but I can assure you that the policies in each of those three major areas are integrated, are fully understood, and in my judgment, are the policies that are in the best interests of the United States.

One of the reasons why I do travel around the country—and I have been in five or six areas where we have had press conferences, met with newspaper, radio, television people—is to make sure that they get from me and from my Administration the facts, straightforward, firsthand.

If those facts are presented, as we seek to do, I can assure you that the public will be convinced that they are not inconsistent and confused. We intend to continue those policies and that program.

SECRETARY OF THE TREASURY SIMON

[9.] Q. Mr. President, does Secretary Simon have a future in the Ford Administration, or is he going to leave over some policy differences in the economic sphere?

THE PRESIDENT. I have asked Secretary Simon to stay, and he has agreed to stay.

INFLATION AND RECESSION

[10.] Q. Mr. President, to pick up Mr. Isaacs' question, are we fighting inflation or are we fighting recession, and when did we make the transition? [Laughter]

THE PRESIDENT. We are fighting both. And if you go back to the economic summit meetings that we had last September, I think you will find that we said we had a problem in both areas. But in September of 1974, because we were then suffering from 12- to 14-percent inflation on an annual rate, we felt a greater emphasis had to be placed in trying to lick inflation.

At the same time, we fully recognized that there were certain potential dangers with the economic situation, that there were some signals that a recession was moving in on our economy.

In January, when I gave the State of the Union Message and concentrated on the economy and on energy, the situation had changed; inflation was beginning to be less of a problem. At that time, the rate of inflation, if I recollect, was roughly 9 percent. There had been some improvement.

On the other hand, we had had tremendous layoffs, a decided increase potentially in the field of unemployment, and so we had to change the emphasis.

I still believe that we have to face the problems of inflation. The rate of inflation, according to the last three reports, the CPI figures indicate were at about 7.2 percent on an annual basis. We have another figure coming out Friday.

I am optimistic that it is going to be better, but even if it is better, say the rate of 5 to 6 percent, that is too high, and we are going to do something about it.

On the other hand, we have 8.7 unemployment. That is too high, and we are going to do something about that, and we are encouraged. But it is a two-pronged problem, and our policies are aimed at achieving success in both instances. I don't think you can ignore one and overemphasize the other.

Q. Mr. President, going back again to Isaacs' question, does it ever occur to you late in the morning that maybe it is the press that is confused and inconsistent? [*Laughter*]

THE PRESIDENT. Well, Scotty [Reston], I think you know me well enough to know that under no circumstances would I make that allegation.

OFFSHORE OIL DRILLING

[11.] Q. Mr. President, I have a question relating to offshore oil drilling. We had quite a presentation this morning on energy. And as part of your goal of energy independence for the United States by 1985, the Interior Department is planning to open the Outer Continental Shelf off southern California to oil exploration at the end of this year and beginning of next year and to full drilling in 1979.

There are about 9 to 16 billion barrels of oil out there. Nevertheless, Senators Cranston and Tunney and local officials are saying we don't want you to go this fast, because you have not allowed the Congress and the people in these areas enough input into these plans. In fact, the city of Los Angeles is going to sue, I think, if you don't delay the Interior Department's hearings in May, to block those hearings.

My question is, is it still your Administration's belief that those oil reserves off southern California must be tapped according to the present Interior Department timetable and that delay would be harmful to the best interests of the United States as a whole?

THE PRESIDENT. This Administration believes that we must develop the outer continental oil fields on all of our coasts—in Alaska, on the eastern seaboard, in the Gulf, and off our west coast. Those potential oil fields are exceedingly important, all of them, to our better invulnerability to a foreign oil cartel decision.

The facts are that in 1974 our domestic production of oil was roughly 10 million barrels per day and our foreign oil imports were roughly 6 million barrels per day. In the short span of less than 6 months, our domestic production has gone down to about 9 million barrels per day, and our dependency on foreign oil imports has gone up to about 7 million barrels per day.

The situation is going to get worse, not better, unless we find a way to develop all domestic sources of energy, including the Outer Continental Shelf.

I get very concerned when I see the dangerous trend of our growing dependence and worsening dependence on overseas shipments of oil, when at the same time I see some actions that you have indicated that might be taken to preclude



At the Old North Church Bicentennial Lantern Service in Boston, Massachusetts, on April 18, 1975.

President Gerald R. Ford
A collection of photographs: 1975



Above: Signing the proclamation establishing the National Commission on the Observance of International Women's Year, 1975, in the Cabinet Room at the White House, January 19, 1975.



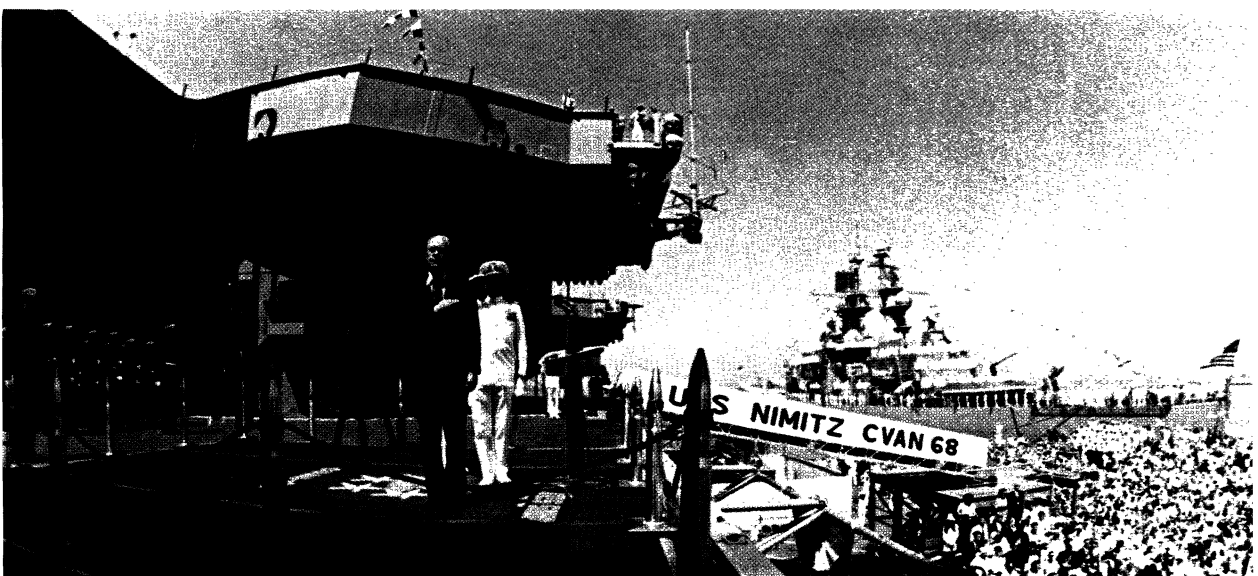
Above: With enlisted recruits at the U.S. Naval Training Center in San Diego, California, on April 3, 1975.



Above: Cabinet meeting at the White House, April 16, 1975.



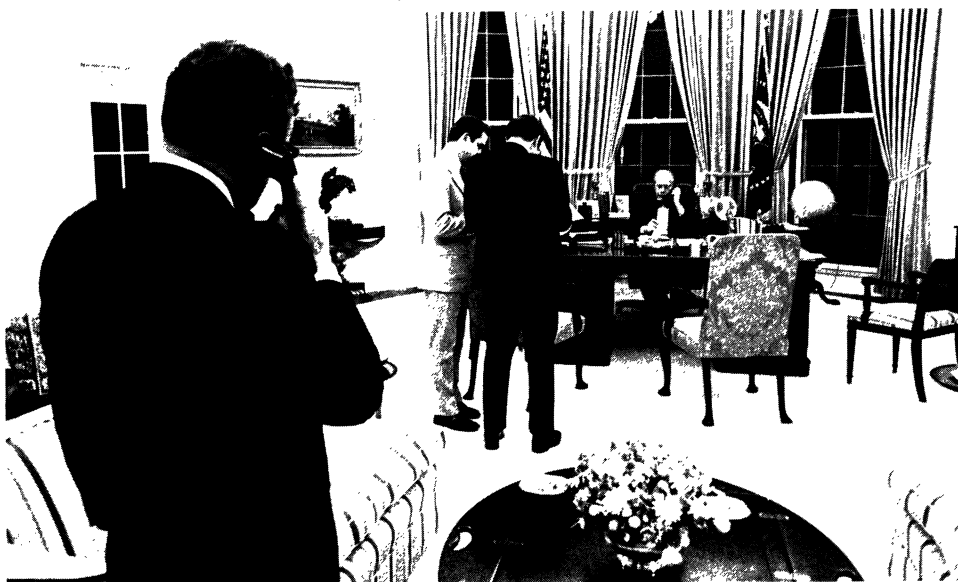
Above: With CBS News correspondents during interview in the Blue Room at the White House on April 21, 1975.



Above: On board the U.S.S. *Nimitz* during commissioning ceremonies at Norfolk, Virginia, on May 3, 1975.



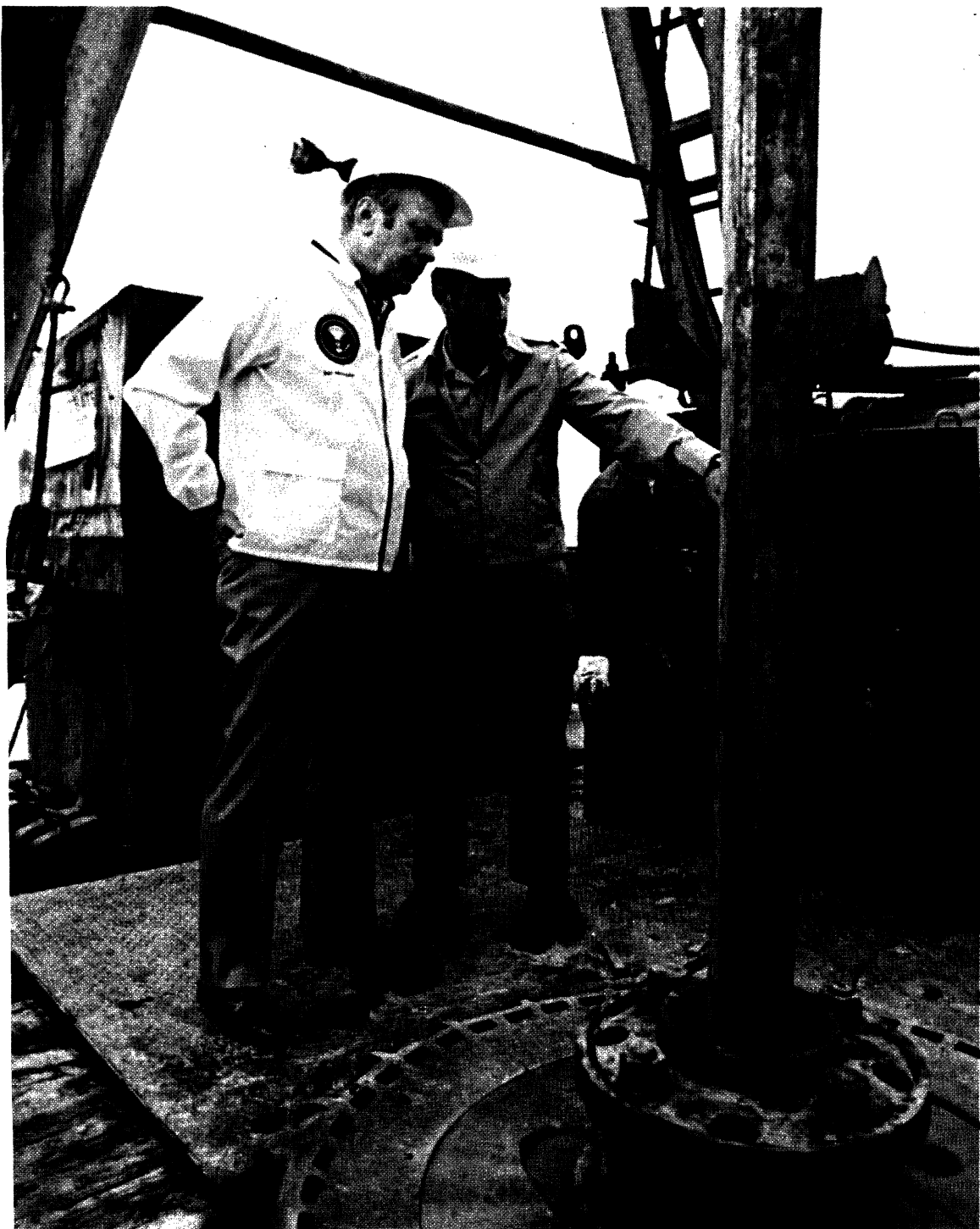
Above: With Vice President Rockefeller in the Oval Office.



Above: The President and Secretary of State Kissinger in the Oval Office receiving telephone reports concerning the recovery of the SS *Mayaguez* and its crew, May 14, 1975.



Above: Attending the Freedom Day celebration in Charlotte, North Carolina, on May 20, 1975.



Above: During inspection tour of the U.S. Naval Petroleum Reserve, Elk Hills, California, on March 31, 1975.



Above: Exchange of state gifts with Pope Paul VI at the Vatican on June 3, 1975.



Above: News conference on the South Grounds of the White House, June 25, 1975.



Above: With his daughter, Susan, at graduation ceremonies at the Holton-Arms School in Bethesda, Maryland, on June 5, 1975.



Above: Talking with American astronauts and Soviet cosmonauts following rendezvous of the Apollo and Soyuz spacecraft, in the Oval Office, July 17, 1975.

the Federal Government from developing outer continental sources of oil, when I see other actions of individuals or groups or units of government trying to slow down and, in some instances, stop the installation and the production of nuclear powerplants, when I see other actions in one way or another—and I don't challenge their motives, I challenge whether it is wise from our Nation's future strength to handicap our development of a sound energy program, which is in our national interest.

I just believe that the United States, the Federal Government, has to proceed according to law in the development of our outer continental oil resources on all of our shores, not just in California.

Q. Then I presume that we can assume that the timetable will be adhered to as far as the Outer Continental Shelf off southern California?

THE PRESIDENT. The timetable will be adhered to, but we will strictly abide by the laws of this country. But as far as I know, there is no change in that timetable.

REPUBLIC OF VIETNAM

[12.] Q. Mr. President, there have been some conflicting news stories out of Vietnam about the possible, if it is necessary, evacuation not only of Americans but of South Vietnamese nationals from Saigon. Is there any plan or policy about such evacuation?

THE PRESIDENT. I have ordered the evacuation of all nonessential U.S. personnel in South Vietnam, and we are phasing down on a daily basis such U.S. personnel who have no responsibilities, either for the government or for whatever other purpose they are there.

The present plan is to keep those there who have a position of responsibility, a meaningful job. I am not in the position to speculate as to how many that will be or when there might be a change in the situation. I think it is too fluid at this moment to make any categorical comment.

Q. That is speaking about Americans, and I think we understand that. But is there any policy about the potential evacuation of South Vietnamese if that were necessary?

THE PRESIDENT. Excuse me. In my speech last Thursday, I indicated that there are a number of South Vietnamese who, over a period of almost two decades, have stood with us in various official capacities—long-time employees of the Federal Government, our Government, who have been dedicated to the cause that not I, but a number of Presidents, have pursued.

I think we have an obligation to them. To the extent that I can, under the law, or hopefully if the law is clarified, I think we have a responsibility to

them. But I don't think I ought to talk about an evacuation. I hope we are in a position where we can clarify or stabilize the situation and get a negotiated settlement that wouldn't put their lives in jeopardy.

VIETNAM CONFLICT

[13.] Q. Mr. President, you have talked a great deal about the moral obligation of this country to provide more military arms for South Vietnam. But what about the moral obligation to the suffering people of that country, the moral obligation to end that war?

THE PRESIDENT. Well, Mr. Reston, the agreement which was signed, I think, by 12 nations in January of 1973 in Paris—and I was there; I saw the signing—was accomplished with the expectation that that war would end. If the agreement had been lived up to, the war would not now be going on.

We have continued in various ways to try and achieve a cease-fire, and I can assure you that we intend to continue those efforts.

But it is tragic, in my judgment, that what everybody thought was good in January of 1973 has been violated, and now we are faced with a terrible catastrophe at the present time.

Q. But would we not then, a year from now or 5 years from now, still have the same moral obligation you speak of?

THE PRESIDENT. Well, it is my best judgment, based on experts within the Administration, both economic and military, that if we had made available for the next 3 years reasonable sums of military aid and economic assistance, that South Vietnam would have been viable, that it could have met any of its economic problems, could have met any military challenges.

This is another of the tragedies. For just a relatively small additional commitment in economic and military aid, relatively small compared to the \$150 billion that we spent, that at the last minute of the last quarter we don't make that special effort, and now we are faced with this human tragedy. It just makes me sick every day I hear about it, read about it, and see it.

1976 PRESIDENTIAL CAMPAIGN

[14.] Q. Mr. President, a political question. You have some interest, I believe, in 1976, and there is some doubt about the wisdom of some of the primary laws that have been enacted. I wonder, do you place your confidence in the primary laws, or do you like the convention system better?

THE PRESIDENT. Well, Mr. Kirkpatrick, I have always enjoyed a good elec-

tion contest. I certainly would not lift my hand to try and get any State to do away with a Presidential primary election law.

I think a good contest is helpful for the public, for the candidate, and I would not, under any circumstances, try to undermine the decision of any State to continue its Presidential primary legislation.

Q. Thank you, Mr. President.

NOTE: The President spoke at 1:26 p.m. in the Regency Ballroom at the Shoreham Americana Hotel. He was introduced by Howard H. Hays, Jr.,

president of the society.

Later the same day, the President hosted a White House reception for members of the society.

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Remarks at the Annual Awards Dinner of the White House News Photographers Association. April 16, 1975

Mr. President, Chairman Johnston, Mr. Ambassador, members of the Cabinet, distinguished guests, ladies and gentlemen of the White House News Photographers Association, survivors of Vail, guardians of the front gate at Burning Tree, followers of Eric Rosenberger, and my very good friends:

As I look at this wonderful audience tonight, all I can say is, if I've ever heard of stakeouts, this is ridiculous. [*Laughter*]

Obviously I'm delighted, along with Betty, to be here tonight on this 54th anniversary of the White House News Photographers Association, and it's a pleasure to see all of you so relaxed and so unrushed.

In fact, I think one of your members was trying to tell me something about my schedule. He said it's easy to tell a White House photographer these days, because you all carry a very little card in your wallet, easily accessible. It says, "I am a White House photographer. In case of accident, don't do a thing. I need the rest." [*Laughter*]

Let me thank you, President Boston, for that very thoughtful gift, which Betty and I will cherish. And I thank you for the kind introduction. You know, President Boston, that really has a ring to it. I think all of us understand that. President Boston and I didn't have much of an opportunity to get acquainted during our very short meeting before Betty and I came, but we did exchange a few words before the awards.

I asked President Boston, "Do you ski?" He said, "No." I said, "Do you play golf?" He said, "No." I said, "Have you ever played football?" He said, "No." I said, "Do you make your own breakfast?" He said, "No." Now, I don't want

you to cause any trouble but, ladies and gentlemen, I ask you, this is a president?

I think all of you appreciate that I'm really only fooling. President Boston has done an outstanding job as the chief executive of the White House News Photographers Association. In fact, he was telling me that he recently completed his first term as president and has just been reelected unopposed to his second term as president. Bernie, all I can say is, you sure know how to hurt a fellow.

As you all know, photography is both an art and a science, and its practitioners are always striving for the ultimate, for the perfect photograph.

In fact, my favorite photographic story was told to me by Frank Borman, one of our famous astronauts. Frank said when he was 50,000 miles high, he reached for his camera and took a picture of the entire Earth and all of the people on it. I asked Frank, "How did it come out?" He said, "Not so good. Somebody moved."

Well, at the White House, I feel we also have a richness of photographic talent. There is an old saying that one picture is worth a thousand words. In David Hume Kennerly, I get both.

I'm sure all of the professional people here, and many others, are familiar with Dave Kennerly. Dave is known as the Ansel Adams¹ of M Street. David is one of the finest, most talented, most creative, most gifted photographers this Nation has ever known. And that's not just my opinion, it's his, too.

But as I look about tonight, I see so many great photographic luminaries: there is Cleve Ryan—and I know Cleve will be interested to know that by Executive order, I have just named him postmaster of Air Force One—Frank "Baby" Johnston, who has never fallen down on any job until we got him on skis at Vail; and George Tames, who is perhaps best known for the work done by his most famous and most celebrated pupil, Mathew Brady.

You know, personally, I have always enjoyed being with all of you, because exciting things always seem to happen around news photographers.

Last year I was in San Francisco, and suddenly the floor started to tremble, the walls started to sway, and the ceiling started to crack. I turned to Wally McNamee and I asked, "San Francisco—earthquake?" He shook his head. He said, "Roddey Mims—jogging."

Well, tonight let me salute Roddey and all of you other heavyweights in the world of photography. You are the free spirits who capture the moment and liberate the imagination. Throughout my entire political life, and before, I

¹ A nature and wildlife photographer.

have always placed my confidence in photography as a medium to get any message across. And now, as President, I know that the members of the White House News Photographers Association, along with members of our own White House Photographic Department, are creating a unique contribution to the Presidential record—a vital day-by-day, hour-by-hour, and often minute-by-minute portrayal of the event on their way to becoming history.

Your efforts today will breathe new life into the textbooks of tomorrow. You leave not footprints, but color prints, in the sands of time.

On a more personal level, Betty and I thank all of you for the kindness, for the courtesy that you have shown both of us. In the past 8 months, we have shared many happy moments and a few sad ones as well.

But I want you to know how much your good will and your good wishes have meant to both of us. And my wish tonight is that it will always continue to be so, and that as photographers and as friends you will never have cause to take a dim view of the White House.

Thank you and good night.

NOTE: The President spoke at 9:23 p.m. in the Grand Ballroom at the Sheraton-Park Hotel. In his remarks, he referred to Bernard M. Boston, Washington Star-News, president of the association; Frank B. Johnston, Washington Post, chairman of the dinner; Ambassador John A. Scali, U.S. Representative to the United Nations; Eric H. Rosenberger, Staff Assistant to the President; David Hume

Kennerly, Personal Photographer to the President; Cleveland Ryan, network pool lighting technician; George Tames of the New York Times; Wallace McNamee of Newsweek; and Roddey E. Mims of UPI News-pictures.

Prior to his remarks, the President was presented with a bound collection of the association's prize winning photographs.

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Statement on the Fall of the Cambodian Government.

April 17, 1975

THE United States views the fall of the Government of the Khmer Republic with sadness and compassion.

I wish to express my admiration for the Cambodian Government leaders and people, who showed great courage until the end, and to their armed forces who fought valiantly with their remaining supplies.

NOTE: Elements of the Khmer Rouge entered the city of Phnom Penh on April 17, 1975, after a siege lasting approximately 4 months.

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Letter to Congressional Committee Chairmen on Consumer Protection. *April 17, 1975*

IN THE interest of protecting the American consumer, I am directing department and agency heads, in coordination with the Domestic Council, to review Executive branch procedures to make certain that consumer interests receive full consideration in all Government actions.

To be frank, I recognize the legitimate public and Congressional concerns that departments and agencies be more responsive to the interests of consumers. This must be changed. Therefore, I am asking agency heads to examine the specific efforts they are making now to represent the consumer in their agencies' decisions and activities and to work with Virginia Knauer, my Special Assistant for Consumer Affairs, in instituting additional efforts which the agencies can undertake to better represent consumer interests.

In examining their present procedures and in establishing new ones, department and agency heads will follow these guidelines:

- All consumer interests should receive a fair chance to be heard in the Government decisionmaking process; and
- The costs and administrative requirements of Federal rules and regulations on the private sector should be held to a minimum.

Regulatory reform is one of the most important vehicles for improving consumer protection. Outdated regulatory practices lead to higher prices and reduced services. I urge the Congress to enact a number of specific legislative proposals in this regard, including the bill I submitted in January to establish a Regulatory Review Commission. I renew my request to the Congress to repeal outdated fair trade laws which raise prices and to reform many of the existing banking laws and regulations which penalize small savers. I will soon request legislation to overhaul our system of transportation regulation to allow freer competition, improved services, and lower prices.

I also intend to ask the chairmen and members of the independent regulatory agencies to meet with me to discuss ways they can make immediate improvements in the regulatory process. I am determined that the public will receive the most efficient and effective public service at the least cost.

In view of the steps that are being taken by the Executive department to make Government-wide improvements in the quality of service to the con-

sumer, I am requesting that the Congress postpone further action on S. 200, which would create a new Federal Agency for Consumer Advocacy.

I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of \$60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure.

It is my conviction that the best way to protect the consumer is to improve the existing institutions of Government, not to add more Government.

I look forward to working with you, the members of your Committee, and the Congress in advancing the interests of all consumers within our existing departments and agencies.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Abraham A. Ribicoff, chairman, Senate Government Operations Committee; the Honorable Jack Brooks, chairman, House Govern-

ment Operations Committee; and the Honorable Harley O. Staggers, chairman, House Interstate and Foreign Commerce Committee.

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Remarks in Manchester, New Hampshire.

April 18, 1975

Mayor Stanton, Governor Thomson, former Senator Norris Cotton, distinguished guests, ladies and gentlemen:

I do want to thank you from the very bottom of my heart for the wonderful reception. I am deeply grateful, and I thank you very, very much.

New Hampshire, as we know, is not the largest State. It doesn't have the most people of all of our 50 States. But New Hampshire does have a first-class record at the very top in history and tradition in America, and I compliment you and congratulate you for that wonderful record.

New Hampshire is also a State that has many firsts, and one that is probably the most important—as I was looking over the history—is that New Hampshire took action on a declaration of independence even before the Continental Congress did. And for that, I congratulate your forefathers.

May I add that over the years, the State of New Hampshire has had a wonderful record of outstanding statesmen. Of course, Daniel Webster had no peer.

But I have known many of the United States Senators and Representatives from your great State, and I can say that you can be proud of men like Norris Cotton and others.

May I just conclude by saying this, that I came to New Hampshire first back in the late 1930's. I came up here for the purpose of skiing, but in the process of going to Tuckerman's Ravine and going down the headwall, I became very familiar with the terrain.

But it is a great, great State with all its beauty, and it is an even greater State with all of the wonderful people. I thank you again for the warm welcome. It is a wonderful day, and I am most grateful.

NOTE: The President spoke at 12:15 p.m. at Hampshire Plaza.

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Remarks on Arrival at the New Hampshire State Capitol in Concord. April 18, 1975

Good morning. Governor Thomson, Speaker of the House of Representatives, President of the Senate, distinguished members of the legislature, distinguished Members of Congress, ladies and gentlemen:

It is really a great privilege and a very high honor to have the opportunity of coming to this wonderful community, your State capital, in a State that has a long and enviable history and tradition.

You may not be biggest, but you certainly are strong in character and wonderful people. The Granite State is the proper word to underscore the strength of all of you, and I thank you for your warm welcome.

I am especially gratified and pleased and most appreciative for the warm welcome of Governor Thomson. I am also very appreciative of the invitation to speak to the State legislature.

Fortunately, a good many years ago, I came to the State of New Hampshire—back in the late 1930's. I was trying to learn to ski, but in the process, I became well acquainted with a great many people from this State.

Over the years, I have had a great experience in knowing such outstanding people as my good friend Norris Cotton, who so ably represented the State of New Hampshire in the House of Representatives as well as the United States Senate.

You know, I have been doing a little reading about New Hampshire history, and I found that the people of New Hampshire—before the Continental

Congress declared independence—the people from this part of the 13 colonies enacted, or passed, or approved a declaration of independence some 6 months previously. I congratulate you as the ancestors of those people who had the strength and the foresight a good many years ago to take that important step in establishing our great country.

Now, I know all of the schoolchildren want to hurry back, and so I won't detain you any longer. If I have any influence with your teachers—and I probably don't—I will give you all an A-plus, and I will do that whether you are a Democrat or a Republican.

Thank you very much.

NOTE: The President spoke at 12:59 p.m. on the steps of the State Capitol. In his opening remarks, he referred to George Roberts, speaker of the house

of representatives, and Alf E. Jacobsen, president of the senate, New Hampshire General Court (State legislature).

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Address Before a Joint Session of the New Hampshire General Court. April 18, 1975

Thank you very much, Mel. Governor Thomson, Mr. Speaker, Mr. President, Members of the United States House of Representatives and Senate, my old and dear friend, Senator Norris Cotton, Governor Longley and Governor Salmon, distinguished guests of the General Court, visitors:

It is a great privilege and a great pleasure for me to be in this historic chamber. I wish to express a deep personal gratitude to Governor Thomson for his very warm welcome. I am most thankful and most appreciative.

I am also deeply grateful for the opportunity to join all of the members of the State legislature. I spent, as the Governor has indicated, some 25-plus years in the House of Representatives. I think those of us who have had an opportunity to serve in a State legislative or a Federal legislative branch have had an opportunity unique in the history of not only our lives but our country. Serving people in a legislative branch is a wonderful, wonderful experience.

I do want to thank the people of New Hampshire, both in Manchester and in Concord and others, for their very warm welcome. I have said it several times, but it bears, perhaps, repeating.

A good many years ago, back in the late 1930's, I came up to New England—to New Hampshire and to Vermont and to Maine—and tried to learn to ski. And I recall with some pain, my first experience going up to Tuckerman's

Ravine and trying to successfully negotiate the headwall. I suspect the sitzmarks that I made 40 years ago are still there.

But let me say to all of you, it is a great honor to appear before this distinguished group of legislators from the State of New Hampshire, a deliberative body that is known far and wide as one of the most highly representative, one of the most highly regarded, one of the most highly effective, and one of the most highly paid [*Laughter*] Obviously, it has the great respect and admiration of all of its constituents. Your selflessness and dedication is both to be commended and applauded.

In fact, I had a short talk with one of your members as I was waiting to come into the chamber, and she was telling me that you had received just \$200 a session. I said, "Two hundred dollars a session?" She said, "That's right. Now you know why the State motto is 'Live Free or Die'." [*Laughter*]

I came here today just to say a few words about the past, to offer some thoughts concerning the present, and of course, to talk about the future.

The people of New Hampshire are rich in historical heritage. It was at nearby Newcastle that 400 of your ancestors stormed the British Fort William and Mary and captured it with its military stores—4 months before the battles of Lexington and Concord. The captured ammunition was used by New Hampshire men who fought at Bunker Hill.

It was New Hampshire that drafted in January 1776, the first constitution proclaimed in the colonies and passed the declaration of independence 3 weeks before such action by the Continental Congress.

It was at Bennington that General John Stark led New Hampshire's troops against the British with these very famous words, and I quote: "There are your enemies, the Redcoats and the Tories. We must beat them or tonight Molly Stark sleeps a widow."

Molly Stark never became a widow. Bennington was an early colonial victory. But John Stark would have fought to the last man, the last rifle, the last round of ammunition if necessary.

I say in all sincerity, let us remember the lesson of General Stark and the men of New Hampshire who fought for us then and make sure that this Nation's defenses are never permitted to deteriorate to the point where an American must ever be called upon to fight without the best weapons and without ample ammunition and without the full determination of our Government and our people to achieve final victory once committed.

I like your nickname: the Granite State. It shows the kind of strength of

character, firmness of principle, and restraint that have long characterized New Hampshire.

Much of the rhetoric we see in America today tends toward exaggeration, toward overstatement. Such language, in my opinion, tends to divide more than unite our people. It excites more than enriches. It promises more, unfortunately, than we can produce.

This is not the time, as I see it, for extremes or excess in language or in conduct. It is not the moment for exaggeration in any direction. It is a time to think, a time to act with reason and with restraint.

You and I share a common interest in a subject where we must avoid extremes and avoid excess. That is the general subject of how we manage our affairs—as reflected in your State budget and in the Federal budget.

Amid the climbing costs of Federal and State budgets, particularly in the last decade, New Hampshire has truly balanced its budget. You grappled with your problems without a general income or sales tax. Obviously, I admire your self-discipline and your self-restraint. You have gone about your business quietly, with restraint, without the exaggerated rhetoric which divides people and without excessive promises that create, unfortunately, so much false hope.

In Federal programs and Federal spending, the opposite has been true. In the last quarter century—25 years—Federal payments for individuals climbed from \$31 billion on an annual basis to about \$160 billion in constant dollars. In other words, from less than one-fourth of the Federal budget to nearly one-half.

America is now spending, according to the statisticians—if we include comparable figures for State and local units of government—about \$250 billion annually for various payments to individuals. That is approximately 15 percent of today's national income, compared to some 4 percent 25 years ago.

Most of this spending is centered in relatively few programs. More than one-third of the funds are spent in social security payments, Medicare, and Medicaid.

Many benefit programs—I want to emphasize—are highly desirable. For example, a generation ago, America devised one of the finest social security systems in the world and followed it with Medicare and Medicaid and, recently, a supplemental income plan. The American people supported these programs, and so do I.

Now, we have done many, many things over the past generation for the aged, for the blind, the disabled—those who tragically cannot help themselves. But it is also true that there has been an astounding, an astonishing explosion in the number of other Federal programs and in the number of people administering them.

Since the early 1960's—about 10 years ago—the number of Federal domestic assistance programs has grown from about 200 to more than 1,000 today. And there has been a massive increase in the country's bureaucracy on the Federal, State, as well as local level, from about 6 million employees in 1950 to 14 million today.

Now, if we continue these trends at anywhere near their present rate of growth, more than twice that of the gross national product, the result will be this: In two decades, just 20 years, governments—and I include all governments—would need to collect in taxes more than half of our GNP to meet these commitments.

Almost three-fourths of all spending is currently in a category called—and I put this in quotes—“uncontrollable.” That is a code word that is used in Washington now for failure to do something. [*Laughter*]

I categorically, speaking for myself, reject the view that Federal spending is uncontrollable and that we must add each year to the national debt. Federal spending—and I spent some 16 years on the Committee on Appropriations in the House of Representatives, so I have some knowledge about the process as well as the figures—Federal spending is controllable, and there are two levers of such control.

The first is with the American people. They can say no to those spreading the notion that it is possible to get something for nothing. Or the American people, on the other hand, can say yes to those of us who are trying to curb the increasing burden that gets heavier every year, the burden of taxation, and who want to restore fiscal responsibility.

The second lever is the exercise of leadership by the President, by the Congress in the control of Federal spending. As President, I have personally drawn the line—and some of you may have seen the program the other day when I actually drew a line—but the Congress, unfortunately, is threatening to go far beyond that line.

For example, the House of Representatives just passed—2 days ago as a matter of fact—its first regular appropriation bill for fiscal year 1976. It amounted to \$1 billion more than my request of \$6.2 billion for the multitude of federally supported aid-to-education programs. I recommended 6.2 and the House of Representatives added \$1 billion to it. Apparently, the American people must educate the Congress.

The Nation now faces new Congressional multibillion dollar initiatives. How much are the American people willing to tax themselves to pay for these new proposals, and for how long?

It took this Nation more than 180 years to reach a Federal budget of \$100 billion on an annual basis. It took only 9 more years for that budget to hit \$200 billion, and only 4 more years beyond that for the annual total to climb to \$300 billion.

Now, the Federal Government expects to spend about \$322 billion in this fiscal year, fiscal year 1975. With the cooperation of the Congress, I plan to hold the budget for fiscal year 1976, which begins July 1, to approximately \$356 billion.

Quite candidly, forthrightly, I am seriously concerned about the borrowing that the Federal Government must do to support these levels of spending. In these troubled economic times, however, I do believe it is necessary to help the unemployed and to stimulate the economy by a responsible tax reduction.

I should add, parenthetically, if I have to make a choice between additional Federal spending with governments passing out the taxpayer's money or what the taxpayer borrows or, on the other hand, a plan to stimulate the economy by a tax reduction, giving to the people the opportunity to spend their own money, the choice is pretty simple for me. I like to leave it, or turn it back to the people to spend rather than for governments to spend.

In perspective, Federal receipts for fiscal year 1976 would be more than \$40 billion higher if our economy were operating at a normal rate. Quite frankly, this economic problem that we have today—a recession which I think is beginning to change a bit for the good—this economy, if it were operating at the rate of only 1 year ago, the Nation would have balanced budgets for this fiscal year as well as next fiscal year.

So, what I am really saying is that our problems, if we get hold of some of these uncontrollables, relate primarily to getting a healthy economy. But in the meantime, we do have to look after those who are unfortunately unemployed, those who have not been able to get a job or hold a job. Once we get the economy back on its feet—and we will, I can assure you—if we control the uncontrollables, then we can have a balanced budget and a responsible fiscal policy.

Now, despite what some are saying—and they say that at the local, State, and Federal level we must keep on spending—I happen to believe that we can do just the opposite. Really, the heart of our financial dilemma today is the endless stream of promises made to the American people in the last generation, and continuing right today, that the Government can and will satisfy most of the needs of all of our people, and even their wants. I think the language is one

of extremes and excess. It is that the Government will make your dreams come true—all you have to do is file an application.

The American people never have and cannot live on promises. They, as well as us, including myself and others in positions of responsibility—we must produce. That is the way America was made great and will keep great.

All of this raises a question, a question of utmost simplicity and yet of profound significance to the American people: How long can the United States afford to run continuous budget deficits?

All levels of government have contributed much to progress during the past generation. But many new programs have failed, leading not only to waste but to disillusionment and, unfortunately, despair.

We have come to a time, as I see it, where the American people will and must take a closer look at where their money is going. The reason is simple: The built-in momentum of the Federal budget and unanticipated other demands have produced excessive expenditure growth rates. As I recall, the figure is about 9.4 percent per year. That is the growth rate in Federal expenditure over the past 25 years. Unfortunately, these growth rates are not only rising faster than current income but are absorbing—and this is the tragic thing—absorbing any anticipated future growth.

The net result is this is no time for fiction or false promises. The American people want to know where they stand. I believe it is time to reassess our domestic policies. I am convinced that the people of the United States do not know where their money is going and, just as important, why.

Let me illustrate something. This is the 1974 catalog of Federal domestic assistance programs. I must say much of it is in fine print, so it is a very sizeable volume involving a good many programs and a good many dollars. It only weighs about 4 pounds, but it involves a vast bureaucracy and a tremendous amount of potential Federal as well as local and State expenditures.

In all honesty, I say let's look at these programs. To be honest with ourselves and those we represent, our constituents, we have to ask: Are we getting our money's worth, and if not, why not? And if not, what can we do about it?

It is time to reexamine not only the American budget but, as I see it, the American conscience and the basic American virtues. It is absolutely essential at this time, more so than ever before during my political life, that we get our house in order. Instead of more promises, the American people must ask who will pay, who will pay for those promises.

The United States is now spending—among Federal, State, and local units of government—hundreds and hundreds of billions of dollars for social pro-

grams. Many, unfortunately, are uncoordinated and, as a consequence, ineffective. Many of them are duplicative, not only in the service but also in the bureaucracy that runs them. All of these related problems, in my humble judgment, have to be reassessed if we are going to be true to the oath that we have taken.

A close look at any program is not only needed to justify the expenditures but to make sure that the expenditures go to the right people in the right amounts. The American people understand that they pay for all this spending, either through their taxes or through the inflation or, perhaps, both.

It is my judgment that this country is not great because of what the Federal Government has done, but what American individuals have accomplished. I think we have to take the American people back into our confidence and tell them the truth, and the truth is this: The Federal Government can no longer increase spending at the rate it has in the past.

I sound this warning with the utmost seriousness to the American people here in this legislature, because you are a remarkable example of the early principles and policies that made this country great. You have lived and you have worked within your means.

New Hampshire is more than a State. And may I say parenthetically, I think New Hampshire deserves its constitutional and full sovereign rights in the United States Senate.¹ And if I may, again parenthetically, congratulate this legislature for offering a sound solution that is in the best interest of the people of New Hampshire.

As I said, New Hampshire is more than a State; it is a state of mind. As I see it, it is the true "new frontier" of America because ideas, because principles, because virtues have no boundaries. You have offered us the horizons of free men and of free women, not those burying the Nation and our people in debt.

As I conclude, let me add just this: Voltaire once said, "Common sense is not so common." Neither are granite principles and granite beliefs.

Thank you for the invitation. I am deeply grateful.

NOTE: The President spoke at 1:20 p.m. in the House Chamber at the State Capitol. In his opening remarks, he referred to Governors Meldrim Thomson,

Jr., of New Hampshire, James Longley of Maine, and Thomas P. Salmon of Vermont.

¹ The President was referring to the contested 1974 Senatorial election between Democrat John Durkin and Republican Louis C. Wyman which resulted in one of New Hampshire's seats being declared vacant by the United States Senate on July 30, 1975. Mr. Durkin subsequently won a runoff election held September 6.

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Remarks at the White House Conference on Domestic and Economic Affairs in Concord, New Hampshire. April 18, 1975

Governor Thomson, Mayor McLain, Mr. Clements, distinguished guests, ladies and gentlemen:

Let me express my very great appreciation to Governor Thomson, to the people of New Hampshire, particularly the members of the State legislature, for the warm welcome that I have received here in this great State. And may I say to Governor Longley and to Governor Salmon, I am deeply grateful that they were able to come and to participate, to some extent, and I am grateful for the people of both Maine and Vermont who have come and participated in this affair.

We believe that direct communication between the working people at the highest level in the Federal Government—have an obligation, the Cabinet and others, to meet face-to-face the people in the many States of our great Union.

It is my recollection, Bill Baroody, this is the sixth that we have had. And it is important for us to learn from you and, hopefully, we can communicate and work with you.

So, I thank you and I welcome you, and I hope that you feel that this meeting here, with its broad participation—labor, management, professional people, and others—has been worthwhile.

It goes without saying that I am delighted to be in New Hampshire. I have been here a good many times, going back to the late thirties. New Hampshire, in my opinion, is a State of infinite riches, a State that has more than its share of beauty, a State that has more than its share of Yankee know-how, a State that has more than its share of American history, and a State that has less than its share of United States Senators. [*Laughter*]

Now, if I might, I would like to add a footnote. New Hampshire, in my humble judgment, deserves its full constitutional representation in the United States Senate now.

As I said a moment ago, I am pleased to participate in this White House Conference on Domestic and Economic Affairs. As I said, this is a two-way street. These conferences help us in Washington, so that we can keep in touch with your views, and at the same time it gives to us the opportunity to tell you about our programs.

The fact that this is a cross-section group, I think, is fundamentally and absolutely essential.

Every administration—at least in my 20-some years in Washington—faces an agenda of very pressing issues, calling in each instance for immediate action.

In 1975 these issues are: number one, America's role in the world; number two, the reestablishment of our economic health; and number three, the creation of a new and long-range policy on energy.

It is my understanding that Frank Zarb, who is head of the Federal Energy Administration and who is the Executive Director of the Energy [Resources] Council, has talked to you about the need and the programs and the status of our energy program.

I can only emphasize this: Every day, unless we do something to develop alternative sources of energy in the United States, our great country becomes more and more and more vulnerable to outside sources, in this case, and in this day and age, foreign nations who have a literal stranglehold on a very important source of energy.

So, I hope and trust that you can help us get the Congress to act, not on 535 energy programs—one for each Senator and one for each Member of the House—but one energy program. And with your help, that can be done.

The reestablishment of our economic health: We have gone through a very tough time. I am sure members of my top staff have told you how we are doing, what the prospects are. I am convinced that the analysis given to me—and, I presume, given to you—is an accurate one and that sometime early in the third quarter of this calendar year we are going to see some very significant signs of an upturn.

On the American role in the world, I would be remiss if I didn't make a comment or two. We have suffered in the last month two very unfortunate developments. One, we were not able to achieve an important step in the path for progress, for peace in the Middle East. And of course, the tragedy in Indochina is a serious one.

But let me say directly to each and every one of you that the United States is going to keep its commitments to its friends. The United States is telling its potential or real adversaries that they must not seek to take advantage. In order to help our friends and to meet any challenges from our foes, the United States is going to be strong in the field of national security.

Certainly, the problems that I have mentioned require our best thinking—and that includes ours as well as yours—and the most decisive action. But

America has other problems that also deserve attention. One of these is the need to reconsider the relationship between Government on the one hand and business on the other. Federal regulations have entangled—and I mean really entangled—far too many aspects of our economic system. The area of Government regulations has been neglected far, far too long.

We must reassess, as I see it, the archaic and oftentimes very rigid regulations which hamper the economy of the United States and directly affect the American consumer. In far too many cases, Government regulation has become counterproductive and remote—much too remote—from the needs and interests of businesses as well as consumers.

What affects business ultimately affects consumers. Meaningful reform of our present regulatory system must be a part of the current effort to respond to the consumer.

Today—and let me illustrate—today more than 100,000 people are employed by the Federal Government for the sole and exclusive responsibility of writing, reviewing, and enforcing some type of regulation. Just to list—and this is just the list—all of the rules and regulations established last year required 45,000 pages of very small print in the Federal Register.

It is obvious that this bureaucracy is expensive to maintain and even more costly in its impact. But the administrative costs are not nearly as significant as the pricetags for the inefficiency too often produced by the regulation.

The time has absolutely come, in my judgment, for serious reevaluation of the regulatory system. Reform—and I underline it—must be based on less dependence on Government and more reliance on the citizen as producer and as consumer.

This Administration has several initiatives underway, and more are planned. to move the Government toward deregulation.

Last fall, for instance, we sent the Congress legislation to create a bipartisan national commission on regulatory reform. The proposal specified a 1-year lifespan and a mandate for action. To date, unfortunately, there has been no Congressional action. But the obvious need for reform in this important area convinces me that Congress must and, I think, eventually will respond.

During the past few months, we have studied the problem of excessive Government regulations and how they stifle productivity, eliminate competition, increase consumer costs, and contribute to inflation. We have concluded that there is action that can and must be taken to alleviate these problems.

Let me give you an illustration. Shortly after taking office in August of last year, the Administration began requiring what we call inflation impact state-

ments, which are aimed at measuring what Government rules and regulations actually cost the consumer, cost the economy. These statements were the first attempt to see how Government actions contribute to inflation. What we are finding out is not just the administrative costs of these actions but also the cost to consumers.

The responsibility of Government in contributing to inflation is of great concern to me and to all of my associates. This prompted our call for a reduction of some 40,000 Federal employees by June 30 of this year and a 10-percent cutback in White House personnel. And we are going to make both of them. I can assure you that belt-tightening for this Administration begins at home.

Now, the downturn in the rate of inflation is encouraging. When I took office, inflation was climbing unbelievably—a double-digit situation at an annual rate of 12.2 percent. Today, that rate has slowed down to 7.4 percent. It is still too high, and of course, we will maintain our best efforts, I can assure you, to bring it down even further.

I should say, parenthetically, I am determined to veto legislation that is too expensive in terms of the budget deficit and legislation that will cost business and consumers too much. That is a pledge and a promise to you and to the American people.

Now, as we look back over history, we find that regulations sprang up in response to certain economic conditions and have been perpetuated by too little attention to their effectiveness. An outdated view of business as the oppressor which must be controlled by government has also contributed to the failure to tackle reform. The relationship between government and business is a relationship between government and the consumer, and this must be, as I see it, the spirit behind reevaluation and reform.

The producers and the customers in our system are not enemies. I repeat, the producers and customers in our system are not enemies, but actually partners. Cooperation is needed to help promote reform of the regulatory system. Producers who strive to achieve a reputation by fair dealing are also aware that good will with the public is the most valuable asset a company can have. Business and consumers must unite for the common goal to help unsnarl these restrictions and regulations that encumber our economy.

One unfortunate byproduct of regulation is the stifling of competition. Reduced competition hurts the consumer—or customer—and, ultimately, the entire free enterprise system.

Competition—I think it is good in politics, I think it is good in athletics, and

I think competition is the key to productivity and innovation. Even the businesses that enjoy a protective status under regulation are adversely affected.

Although it is difficult to come up with an exact pricetag on the cost of unnecessary and ineffective government regulation, some estimates that I have seen place the combined cost to consumers of government regulation and restrictive practices in the private sector at more than the Federal Government actually collects in personal income taxes each year—or something in the order of \$2,000 per family. Unbelievable! Even if the real costs are only a fraction of this amount, this is an intolerable burden on our pocketbooks.

Transportation is an example of an industry where consumers are actually at the mercy of outdated regulation. As a result, the industry has been hampered and harmed.

I spent a couple of hours yesterday with people who were trying to find an answer to the financial difficulties of the Rock Island Railroad. Better than 12 years ago, two railroads in the Far West wanted to merge with the Rock Island. And after 12 long years, they finally got a decision from the ICC. In the meantime, the Rock Island has gone broke.

Well, that is a simple example, but now we are trying to find an answer. Of course, you in New England are familiar with some of the problems in this area here.

Well, the Interstate Commerce Commission actually was established in 1887 and had a good purpose: to protect the public from the monopoly of the railroads. It produced massive construction (constriction) of rail transportation.

We know the country does have a basically ample railroad system, but the problem is now to make it work for the benefit of the users and keep it healthy so we don't have to move into the nationalization of this important asset in our economic life.

Now, the defects of airline regulation by the Civil Aeronautics Board can be seen very specifically in California and in Texas. Let me cite this example. The CAB-regulated carriers—it does regulate carriers that compete with intrastate carriers, which are not regulated by the CAB—the facts are that the fares of nonregulated intrastate carriers are as much as 40-percent lower than those controlled by the CAB. Something must be wrong.

Now, to deal with inefficient and inequitable regulation in the transportation industry, I will send to the Congress a comprehensive program of regulatory reform which will promote competition by allowing greater price flexibility, greater freedom of entry, and by reducing the power of Government agencies to grant antitrust immunity.

These proposals are designed to allow railroads, airlines, and trucking firms to lower their rates. Increased competition will also result in more efficient utilization of energy and savings to the consumer.

Stimulation of competition is the goal of another legislative proposal. The financial institutions act—which I have already sent to the Congress—it proposes, for example, the removal of some outdated constraints on services and rates which banks and savings institutions offer to consumers.

As many of you know, present regulations make it easier to obtain higher interest rates for the large depositor than the small depositor. Banks, in our judgment, should be allowed to compete for the small investor's dollar. This legislation would facilitate that.

If approved by the Congress, this act would open up new sources of deposits and increase the lending power of financial institutions. The increased financial flexibility will obviously provide an economic boost and give the average consumer a better opportunity to earn good interest from his savings.

Marketplace competition would definitely be improved by increasing consumer information. The better informed the purchaser, the more competitive producers must become. All of the initiatives toward deregulation should be accompanied by vigorous enforcement of antitrust laws. Vigorous antitrust action must be part of the effort to promote competition.

A number of industries were made exempt from these controls; others were not. Like many government interventions in the market system, the exemptions were enacted in response to various economic difficulties, real or imagined, with little or no thought to the long-run impact or effect. The time has come, as we see it, to reconsider these exemptions and to discontinue those that cannot be fully justified.

Reevaluation of another counterproductive pattern—so-called fair trade laws—is underway in many State legislatures. New Hampshire is one of the States where these outdated laws have been repealed. These State laws are sanctioned by Federal statutes, and they permit manufacturers to dictate the prices at which retailers must sell their goods.

Those of you who live in Maine and Massachusetts understand well what these laws cost you as consumers. Altogether, fair trade laws cost Americans an estimated \$2 billion in higher prices each year. The State legislative repeal movement, which is underway, is encouraging. But the Congress should act to remove the Federal laws that allow States to honor these practices. Senator Edward Brooke of Massachusetts has proposed such legislation, which we support.

In coming weeks, the Administration will propose legislation to permit legiti-

mate discount pricing. To the maximum extent of law, a manufacturer should be allowed to pass on to retailers the cost benefits of producing and shipping large orders for volume buyers. Like fair trade laws, restrictions on discounts act to keep consumer prices higher than necessary.

These are only a few of the many [areas] where the Administration has focused on potential action to promote more competition in the marketplace, which benefit business and the consumer. Other actions will be taken and more legislation proposed.

I urge—and very strongly recommend—reform of State and local regulations in these or other areas. The need to clear the cobwebs from our government regulations applies to all forms of government controls.

Reforms of our present regulatory structure depend upon a revision of our attitudes. New perceptions are already here. Many of them, as I see it, are triggered by consumer advocates. Some arise from our current economic problems. In unraveling nearly a century—it is hard to believe, but nearly a century—of regulations, we, of course, must be positive, we must be certain that the public interest prevails. I must say, however, that nothing resists change more stubbornly than a comfortably entrenched bureaucracy intent upon its own self-preservation.

But the history of this Nation—indeed, its founding, which we are about to celebrate—is a continuing chronicle of change. America, we know from reading almost 200 years of history, has a very unique capability to reform itself. Actually, this is our great strength. The need to reform the relationship between government and business is not as dramatic as some of the reforms we have made in the past. But it is vital to our economic recovery and long-range economic stability.

Change is the lifeblood of democracy, and the willingness of America to confront change insures the continuity of our great institutions. I am confident that America will respond to the challenge for growth.

I thank you very much.

NOTE: The President spoke at 4:37 p.m. in the State Room at the New Hampshire Highway Hotel. In his opening remarks, he referred to John Clements,

president of the Business and Industry Association of New Hampshire.

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**Remarks in Boston at the Old North Church Bicentennial
Lantern Service. April 18, 1975**

Bishop, Vicar, dear friends:

Two hundred years ago tonight, two lanterns hung in the belfry of this Old North Church. Those lanterns signaled patriots on the other side of the Charles River British troops were moving by water. As Longfellow said in his poem: "One if by land, and two if by sea."

Paul Revere, William Dawes, Samuel Prescott rode into the night, alerting the colonists the British were coming. When day broke, according to the diaries of the time, the sky was clear and blue.

British troops had crossed the Charles River. They marched all night, and after a skirmish at Lexington, the Redcoats arrived at Concord. There a volley was fired by our Minutemen, what Emerson called "the shot heard round the world." The American war for independence had begun.

Tonight we stand in tribute to those who stood for liberty and for us two centuries ago. Tonight, we bow our heads in memory of those who gave their lives, their limbs, their property for us during that historic struggle, because tonight we begin as a nation and as a people the celebration of our Bicentennial.

Alexis de Tocqueville, the French historian, wrote of our beginnings: "In that land, the great experiment was to be made, by civilized men, of the attempt to construct society on a new basis."

Over the decades, there were challenges to that experiment. Could a nation half-slave and half-free survive? Could a society with such a mixture of peoples and races and religions succeed? Would the new Nation be swallowed up in the materialism of its own well-being? The answers are found in the history of our land and our people.

It is said that a national character is shaped by the interplay of inheritance, environment, and historical experience. Our inheritance is basically that of Western Europe. From the English, we received the traditions of liberty, laws, language, and customs.

The American inheritance has been constantly enriched by people from Western and Eastern Europe, from Asia and Africa, as well as Latin America and many other parts of this great globe. Over 200 years, some 50 million immigrants have been absorbed in our society. Though our national origins are not forgotten, all of us are proud to be simply called Americans.

Our environment includes every variety of climate, soil, and resources. The American historical experience has been brief compared to many, many other nations. We are the New World, but we are the world's oldest republic.

The most distinguished characteristic of our American way is our individualism. It is reflected in our frontier spirit, our private enterprise, and our ability to organize and to produce. Our ability to adopt new ideas and to adapt them to practical purposes is also strikingly American.

But now we ask ourselves, how did we come to be where we are tonight? The answer is found in the history of the American experience. It teaches us that the American experience has been more of reason than revolution, more of principles than passions, and more of hope than hostility or despair.

But our history is also one of paradox. It has shown us that reason is not without its moments of rebellion, that principles are not without passion, and hope is not without its hours of discouragement and dismay.

It is well to recall this evening that America was born of both promise and protest—the promise of religious and civil liberties, and protest for representation and against repression.

Some of our dreams have at times turned to disappointment and disillusionment, but adversity has also driven Americans to greater heights. George Washington marched from the anguish of Valley Forge to the acclaim of final victory.

Reason and hope were the twin lanterns of Washington's life. They enabled him to prevail over the day-to-day doubts and defeats. They have been the lamps that have lighted the road of America toward its ultimate goals—dignity and self-fulfillment and, yes, pride in country.

Abraham Lincoln was a man of reason and a man of hope. He acknowledged the grave flaw of our first 87 years—slavery.

Over 110 years ago, the American Civil War ended with our Republic battered and divided. Many people talked more of survival than of union. One-half of the Nation was on its knees in ruin. Nearly 2 million had been killed and wounded. The war had uprooted the lives and fortunes of millions more. Its end was marked by more tears than cheers, but it was also the birth of a new nation freeing itself from human slavery.

Just before the war ended, on March 4, 1865, President Abraham Lincoln stood on the East Portico of the Capitol in Washington and delivered his second inaugural address. He extended the hand of friendship and unity when he said, "With malice toward none, with charity for all, with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in, to bind up the Nation's wounds."

President Lincoln had relit the lamps of reason and the lamps of hope. He had rekindled pride in America.

Over 100 years ago, as the Nation celebrated its Centennial, America looked to the future. Our Nation had emerged from an agricultural, frontier society into the industrial age. Our towns were beginning to evolve into the cities of the 20th century. Rail transportation and telegraph were tying this vast continent together. When we celebrated our 100th birthday, one of the themes was: "While proud of what we have done, we regret that we have not done more."

There was certainly more to do and more people to do the job. Immigrants were pouring into America. They were welcomed by these words inscribed on the Statute of Liberty: "I lift my lamp beside the golden door." The great increase in the number of Americans made us a formidable force in the world. That force was soon needed.

World War I saw American troops fight and die in Europe for the first time. Many Americans were disappointed and disillusioned by the aftermath of the war. They found the causes for which they fought unachieved. The American people rejected foreign entanglements and withdrew into a separate existence. They wanted to be left alone.

In 1941, the United States was attacked, and once more we went to war—this time across the Pacific as well as the Atlantic. We were proud of this country and what it was achieving for liberty around the world.

Yet, still another time, following victory over our enemies, the American public was jarred and disillusioned by the postwar years. They discovered there would be no real peace. Europe was divided in two on V-E Day. In the words of Churchill, "An iron curtain has descended across the continent." America had become the stronghold of liberty.

President Truman instituted a bipartisan foreign policy of containment, cooperation, and reconstruction. The Marshall Plan moved to reconstruct the free world; the United Nations was born. But the cold war had already begun. Soon, all too soon, America was again at war under the banner of the United Nations in Korea.

Little did we know then that American troops would only a decade later be fighting still another war in Asia, culminating in a broken peace agreement in Vietnam.

In the 200 years of our existence, it is not war and disillusionment which have triumphed. No, it is the American concept and fulfillment of liberty that have

truly revolutionized the world. America has not sought the conquest of territory, but instead, the mutual support of all men and women who cherish freedom.

The Declaration of Independence has won the minds, it has won the hearts of this world beyond the dreams of any revolutionary who has ever lived. The two lanterns of Old North Church have fired a torch of freedom that has been carried to the ends of the world.

As we launch this Bicentennial celebration, we Americans must remind ourselves of the eternal truths by which we live. We must be reinspired by the great ideals that created our country. We must renew ourselves as a people and rededicate this Nation to the principles of two centuries ago.

We must revitalize the pride in America that has carried us from some of our darkest hours to our brightest days. We must once again become masters of our own destiny. This calls for patience, for understanding, for tolerance, and work toward unity—unity of purpose, a unity based on reason, a unity based on hope.

This call is not new. It is as old as the Continental Congress of 200 years ago, as legendary as Lincoln's legacy of more than 100 years ago, and as relevant as today's call to Americans to join in the celebration of the Bicentennial.

Perhaps national unity is an impossible dream. Like permanent peace, perhaps it will prove to be a never-ending search. But today we celebrate the most impossible dream of our history, the survival of the Government and the permanence of our principles of our Founding Fathers.

America and its principles have not only survived but flourished far beyond anyone's dreams. No nation in history has undertaken the enormous enterprises of the American people. No country, despite our imperfections, has done more to bring economic and social justice to its people and to the world.

Yet, we have suffered great internal turmoil and torment in recent years. Nevertheless, in all of the explosive changes of this and past generations, the American people have demonstrated a rich reserve of reason and of hope.

There are few times in our history when the American people have spoken with more eloquent reason and hope than during the tribulations and tests that our Government and our economic system have endured during the past year. Yet, the American people have stood firm.

The Nation has not been torn with irresponsible reaction. Rather, we are blessed with patience, common sense, and a willingness to work things out. The American dream is not dead. It simply has yet to be fulfilled.

In the economy and energy and the environment, in housing, in transportation, in education and communication, in social problems and social planning, America has yet to realize its greatest contribution to civilization.

To do this, America needs new ideas and new efforts from our people. Each of us, of every color, of every creed, are part of our country and must be willing to build not only a new and better nation but new and greater understanding and unity among our people.

Let us not only be a nation of peace but let us foster peace among all nations. Let us not only believe in equality but live it each day in our lives. Let us not only feed and clothe a healthy America but let us lend a hand to others struggling for self-fulfillment. Let us seek even greater knowledge and offer the enlightenment of our endeavors to the educational and scientific community throughout the world. Let us seek the spiritual enrichment of our people more than material gains. Let us be true to ourselves, to our heritage, and to our homeland, and we will never then be false to any people or to any nation.

Finally, let us pray here in the Old North Church tonight that those who follow 100 years or 200 years from now may look back at us and say: We were a society which combined reason with liberty and hope with freedom.

May it be said above all: We kept the faith, freedom flourished, liberty lived. These are the abiding principles of our past and the greatest promise of our future.

Good evening, and may God bless you all.

NOTE: The President spoke at 8:25 p.m. at a service inaugurating the national Bicentennial celebration. In his opening remarks, he referred to Right Rev. John M. Burgess, Episcopal Bishop of Massachusetts, and Rev. Robert W. Gollidge, Vicar of the Old North Church.

Following the President's remarks, two lanterns

were lighted by Robert Newman Ruggles and Robert Newman Sheet, descendants of Robert Newman, who, as sexton of the Old North Church in 1775, lighted the two lanterns which signaled the movement of British troops. The President then lighted a third lantern which symbolized American's forthcoming third century.

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Remarks at the Old North Bridge, Concord, Massachusetts.

April 19, 1975

Thank you very, very much, Mr. Suter. Governor Dukakis, Mr. Ambassador, Senator Brooke, Senator Kennedy, Members of the House of Representatives, distinguished guests, and fellow Americans:

Two hundred years ago today, American Minutemen raised their muskets at the Old North Bridge and answered a British volley. Ralph Waldo Emerson called it "the shot heard round the world." The British were in full retreat soon afterwards and returned to Boston. But there was no turning back for the colonists—the American Revolution had begun.

Today, two centuries later, the President of 50 united States and 213 million people stands before a new generation of Americans who have come to this hallowed ground.

In these two centuries, the United States has become a world power. From a newborn nation with a few ships, American seapower now ranges to the most distant shores. From a militia of raw recruits, the American military stands on the frontlines of the free world. Our fliers and our planes eclipse one another in power and in speed with each succeeding new breed of airmen and aircraft.

From a nation virtually alone, America is now allied with many free worlds [nations] in common defense. The concepts of isolationism and "Fortress America" no longer represent either the reasoning or the role of the United States foreign policy.

World leadership was thrust upon America, and we have assumed it. In accepting that role, the United States has assumed responsibility from which it cannot and will not retreat. Free nations need the United States, and we need free nations. Neither can go it alone.

There are some in the world who still believe that force and the threat of force are the major instruments of national and international policy. They believe that military supremacy over others is [the] logical and legitimate [end] of their revolutionary doctrines. Such aims have left a trail of tyranny, broken promises, and falsehood.

Tyranny by any other name is still tyranny. Broken promises in any other language are still promises unkept. And falsehood by any other description is still a lie.

This is not the rhetoric of the past. It is reason about the present because history keeps repeating itself. Force as an instrument of national and international policy continues to be a major instrument of change in the world. Reasonable societies and reasonable people must do all in their power to reconcile all threats to peace. Now is a time for reconciliation, not recrimination. It is a time of reconstruction, not rancor.

The world is witnessing revolutionary technological, economic, and social change—a massive and rapid breaking of barriers.

We, all men and women of all lands, must master this change. We must make this revolution an evolution—to make and accept change with greater order and greater restraint.

How can we achieve, how can we accomplish this evolution? It is not enough to call upon material resources. No material resources are sufficient to themselves to inspire the continued confidence of men in reasonable change. We must

summon higher, greaer values as we proceed. These higher values are found in the principles of this Republic, forged by our forefathers in the Declaration of Independence.

Thomas Jefferson wrote of change in the light of American principles, and he said, "Nothing, then, is unchangeable but the inherent and inalienable rights of man." Jefferson accepted change in the ordinary course of human events, but he rejected any fundamental change in the principles of our Republic, the inalienable rights of man.

Often, change is healthy for a people and a nation. That is why America has always been a land of new horizons and new hopes. Free choice, the consent of the governed, represents the American philosophy of change.

Life, liberty, and the pursuit of happiness are sacred rights, not to be given or not to be taken by shifting winds or changing moods. It is important to recall these truths, because the men and women of America must renew that faith, their courage, and their confidence. Our belief, our commitment to human rights, to human liberties, must also represent belief and commitment to ourselves.

It is a time to place the hand of healing on the heart of America—not division and not blame. When all is said and done, the finest tribute that may ever be paid this Nation and this people is that we provided a home for freedom.

Freedom was nourished in American soil because the principles of the Declaration of Independence flourished in our land. These principles, when enunciated 200 years ago, were a dream, not a reality. Today, they are real. Equality has matured in America. Our inalienable rights have become even more sacred. There is no government in our land without consent of the governed.

Many other lands have freely accepted the principles of liberty and freedom in the Declaration of Independence and fashioned their own independent republics. It is these principles, freely taken and freely shared, that have revolutionized the world. The volley fired here at Concord two centuries ago, "the shot heard round the world," still echoes today on this anniversary.

One hundred years from now, a new generation of Americans will come here to rededicate this Nation and renew the spirit of our people in the principles that inspire us on this occasion. Let it be said that those of us who came to Concord today reaffirmed these final words of the Declaration of Independence: "We mutually pledge to each other our lives, our fortunes and our sacred honor."

Thank you very, very much.

NOTE: The President spoke at 9:54 a.m. at Patriots Day ceremonies at the bridge. He was introduced by Philip Suter, chairman of the Town of Concord Board of Selectmen.

Following the President's remarks, Sir Peter

Ramsbotham, British Ambassador to the United States, laid a wreath on the graves of British soldiers buried at Concord. The President then placed a wreath at the base of the Minutemen Statue.

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Remarks at Lexington Green, Lexington, Massachusetts.

April 19, 1975

Mr. Kenney, Senators Brooke and Kennedy, my former colleagues in the House of Representatives, and one of my dear and finest friends, former Speaker of the House John McCormick, and of course, one of your fine former Governors, John Volpe, other public officials, distinguished guests, ladies and gentlemen:

Let me, at the outset, thank all of the wonderful people of the Commonwealth of Massachusetts. Thank you for the wonderful experience that I have had since flying from one of your sister States, New Hampshire, last night to Massachusetts.

The inspirational opportunity at the Old North Church last night and the tremendous experience and inspirational opportunity today, first in Concord and now in Lexington, gives to me a new feeling and a new strength about our country.

I thank all of you in the Commonwealth of Massachusetts for inaugurating our Bicentennial in such a wonderful way. You have given to the rest of America the guidance and the inspiration to make our Bicentennial what it ought to be.

Now, I have read and kind of memorized what took place here in Lexington, but all of you know it much, much better than I, so I will not repeat it on this occasion. It means much to you, but it means much to America, what transpired and took place 200 years ago right here in Lexington.

But I think we have to not only look back at what sacrifices were made, what efforts were made, [but] what progress has been made. And in 200 years, we have gone from 13 poor, struggling colonies of some 3 million people, divided in part but united in other ways.

We were poor economically. We had problems of unbelievable proportions, but that fundamental spirit existed here 200 years ago, and it has grown and blossomed and flourished, not only with those who were here but those who have come to the shores since that time.

We should be proud of this two centuries of effort and accomplishment. But what is even more important, in my judgment, is what we can do in the next 100 years and the next 100 years.

We have inherited a great tradition, but it is our job—older and younger people joining together—to see to it that when our ancestors meet here 100 years from now, they can say that what was done here on this date was the kickoff for a new century of unity, progress at home as well as abroad.

We have had some difficult times. It was said we have problems domestically, and we do have problems internationally. But I am convinced if we join together, those from the Commonwealth of Massachusetts, those from my State of Michigan, and the millions and millions around the United States, as well as around the world, if we join in unity in the next 100 years, then we will have done our part in tribute to those that preceded us in the previous 200 years.

I thank you again from the bottom of my heart, Mr. Chairman. I thank Senator Brooke and Senator Kennedy. I thank your Governor. I thank Members of Congress from the great Commonwealth of Massachusetts.

I thank you all for the superb accomplishments in making our Bicentennial the meaningful program that it must be if we pay tribute in the right way and move forward in the best way.

Thank you very, very much.

NOTE: The President spoke at 10:43 a.m. at Patriots Day ceremonies on the green. He was introduced by

Allen F. Kenney, chairman of the Town of Lexington Board of Selectmen.

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Toasts of the President and President Kenneth D. Kaunda of Zambia. April 19, 1975

Mr. President, Mrs. Kaunda, Kaweche Kaunda, distinguished guests:

Let me say that Mrs. Ford and I are extremely delighted to have you, Mr. President, your family, and your distinguished guests with us here this evening. It has been a great pleasure for me to talk to your lovely wife and to know of your delightful family. And on behalf of Mrs. Ford and myself, we extend and wish to you our very, very best.

Your visit to Washington is a mark of friendship that has existed between our two nations since Zambia gained her independence in 1964.

America knows and respects you, Mr. President, but also I should say we know that in the modern history of Zambia and the history of Kenneth Kaunda, they are inseparable. Your moral and intellectual leadership guided your country to independence, and for that we praise you.

Your leadership has made your young nation an example of respect and

admiration throughout the world. The American people join me in saluting you for your accomplishments, your dedication, and your wisdom in a controversial and difficult world. We ask that you convey to your people in Zambia our admiration for them and for you and our greetings.

Mr. President, we have been following developments in southern Africa with great, great interest. For many years the United States has supported self-determination for the peoples of that area, and we continue to do so today.

We view the coming independence of Mozambique, Angola, and the island territories with great satisfaction, just as we viewed the independence of Guinea-Bissau just last year.

May I say, Mr. President, America stands ready to help the emerging countries, the emerging nations, and to provide what assistance we can. And we know, Mr. President, that these new states will continue to look to you for wise, wise counsel as they build to nationhood in the future.

Much still remains to be done in southern Africa. In this connection, Mr. President, we welcome your commitment to change through peaceful negotiations and understanding between the parties concerned, rather than through recourse to violence.

We deeply believe that patient diplomacy will bear great fruit, and we promise our continued efforts and our support as you seek, with others, to resolve these problems at the conference table.

Mr. President, in my April 10 speech to the Congress and to the American people, I noted that America is developing a closer relationship with nations of Africa, and I said that Africans must know that America is a true and concerned friend, reliable both in word as well as in deed.

Your visit, Mr. President, coming so soon after that occasion, is most timely for all of us. I hope that you will take back to your countrymen and to all Africans our renewed pledge of friendship.

Our wide-ranging discussions, Mr. President, this afternoon after my return from some of our historic celebrations of our 200th, or Bicentennial anniversary covered matters of common interest and concern, and it confirmed the relationship between your country and my country.

There is, however, one area, Mr. President, of mutual interest which we tacitly did not discuss. I have since found, tonight, from your lovely wife, that we have a close and intimate interest in a special area. I understand that you do enjoy playing golf. [*Laughter*]

I feel sure, Mr. President, that our common problems, nationally, internationally, bilaterally, on some occasion in the future can best be resolved by a

little competition on the links. [*Laughter*] I intend to make an honest effort to see if our friendship can't be broadened by such an experience.

So, I say to you, Mr. President, and to your lovely wife and your son and your colleagues here this evening, let me propose a toast to you, to the Republic of Zambia, and to the continuing excellent relations between our two countries.

To you, Mr. President, and to your Republic and to your wonderful people.

NOTE: The President spoke at 10:10 p.m. in the State Dining Room at the White House. President Kaunda responded as follows:

Mr. President, Mrs. Ford, brothers and sisters:

I first want to express my deep appreciation and gratitude for inviting me to visit Washington, D.C. I also thank you, the Government, and the people of the United States for their warm welcome and the kind hospitality given to my wife and I and the entire Zambian delegation.

Mr. President, we are happy to be in Washington, D.C. It is a very brief visit, but since we come for specific objectives, it is not the duration that matters, but the results.

So far, we have done a lot. We find we have a lot in common on vital issues affecting mankind. Our discussions have been characterized by a spirit of frankness and cordiality.

This spirit, coupled by the definition of areas of urgent action, should move the U.S. and Africa closer towards the attainment of our common objectives.

We come, Mr. President, to America with a clear purpose. We simply want to be understood. We seek American understanding of Africa's objectives and America's fullest support in the attainment of these objectives.

The relations between Zambia and the United States cause me no concern, because they are cordial, although there is room for improvement through more sound cooperation.

What gives Zambia and Africa great cause for concern is, Mr. President, America's policy towards Africa—or is it the lack of it, which, of course, can mean the same thing.

I have not worked at the U.N., but I have been told that at the U.N. sometimes there are tricks in which an abstention in a vote can be a vote for or against.

A no-policy position may not be a neutral position indicative of a passive posture, but a deliberate act of policy to support the status quo or to influence events in one direction or the other at a particular time.

We have, in recent years, been most anxious, Mr. President, about the nature and degree of the United States participation in building conditions for genuine peace, based on human equality, human

dignity, freedom and justice for all—for all, particularly in southern Africa.

You will forgive us, Mr. President, for our candor if we reaffirmed on this occasion our dismay at the fact that America has not fulfilled our expectations. Our dismay arises from a number of factors.

We are agreed that peace is central, that peace is central to all human endeavors. Our struggle for independence was designed to build peace, and thank God, our people have enjoyed internal peace.

We are agreed, Mr. President, that we must help strengthen peace wherever it is threatened. There has been no peace in southern Africa for a very long time, a very long time indeed, even if there was no war as such.

The absence of war does not necessarily mean peace. Peace, as you know, Mr. President, dear brothers and sisters, is something much deeper, much deeper than that.

The threat of escalation of violence is now real. It is our duty to avoid such an escalation. We want to build peace in the place of violence, racial harmony in place of disharmony, prosperity in place of economic stagnation, security in place of insecurity now dogging every family every day.

Mr. President, to build genuine peace in southern Africa, we must recognize with honesty the root causes of the existing conflict.

First, colonialism in Rhodesia and Namibia—the existence of a rebel regime in Rhodesia has since compounded that problem. Second, apartheid and racial domination in South Africa.

Over the last few years, a number of catalytic factors have given strength to these forces of evil.

External economic and strategic interests have flourished in colonial and apartheid regimes. Realism and moral conscience dictate that those who believe in peace must join hands in promoting conditions for peace. We cannot declare our commitment to peace and yet strengthen forces which stand in the way of the attainment of that peace.

The era of colonialism has ended. Apartheid cannot endure the test of time. Our obligation is that these evil systems end peacefully—peacefully.

To achieve our aim, we need America's total commitment, total commitment to action consistent with that aim. So far, American policy, let alone action, has been low-keyed. This has given psychological comfort to the forces of evil.

We become, Mr. President, even more dismayed when the current posture of America towards Africa is set against the background of historical performance in the late fifties and early sixties.

We cannot but recall that America did not wait for and march in step with the colonial powers, but rather boldly, boldly marched ahead with the colonial peoples in their struggles to fulfill their aspirations; an America undaunted by the strong forces of reaction against the wind of change, whose nationals helped teach the colonial settlers about the evils of racial discrimination; an America whose Assistant Secretary for African Affairs, Soapy Williams,¹ could be slapped in the face by a white reactionary on our soil and yet, undaunted, still smile, still stand by American principles of freedom, justice, and national independence based on majority rule.

Yes, the reactionaries hated Americans for spoiling the natives—as they would say—for helping to dismantle colonialism.

Now, we ask and wonder, what has happened throughout America? Have the principles changed? The aspirations of the oppressed have not changed, have not changed at all. In desperation, their anger has exploded their patience. Their resolve to fight, if peaceful negotiations are impossible, is borne out by history.

So, their struggle has now received the baptism of fire; victories in Mozambique and Angola have given them added inspiration. Africa has no reason—no reason at all—not to support the liberation movements.

Can America still end only with declarations of support for the principles of freedom and racial justice? This, I submit, Mr. President, would not be enough.

Southern Africa is poised for a dangerous armed conflict. Peace is at stake. The conflict with disastrous consequences can be averted, but I submit again, Mr. President, there is not much time. Urgent action is required.

At this time, America cannot realistically wait and see what administering powers will do or to pledge to support their efforts when none are in plan. America must heed the call of the oppressed.

America, once an apostle in decolonization, must not be a mere disciple of those which promise but never perform and thus give strength to evils of colonialism and apartheid.

If we want peace, we must end the era of inertia in Rhodesia and in Namibia and vigorously work for ending apartheid. America must now be in the vanguard of democratic revolution in southern Africa. This is not the first time we make this appeal. It is Africa's constant plea.

¹ G. Mennen Williams, Assistant Secretary of State for African Affairs 1961–66.

Now, Africa has taken an unequivocal stand on decolonization. We do not want to fight a war to win freedom and full national independence in southern Africa. Africa wants to achieve these objectives by peaceful means—that is, through negotiations.

Our declaration to give high priority to peaceful methods to resolve the current crisis is a conscious decision—a conscious decision. We feel it to be our moral duty to avoid bloodshed where we can.

We are determined to fulfill this obligation but, Mr. President, not at any price—not at any price; not at the price of freedom and justice. There we say no. No.

Africa has made it clear that if the road to peaceful change is closed by the stone walls of racial bigotry and the force of arms by minority regimes, then we are equally duty-bound to take the inescapable alternative.

The oppressed people have a right to answer force with force, and Africa and all her friends in the world will support them.

Liberation movements fought fascist Portugal. We supported them. They won, they won. Now we must turn to Rhodesia and Namibia.

Can America stand and be counted in implementing the Dar es Salaam strategy adopted by Africa? In Dar es Salaam early this month, Mr. President, Africa reaffirmed its commitment, its commitment to a peaceful solution to the crisis in southern Africa as a first priority.

Our strategy opens even new doors to peaceful change, if those caught up in the crisis seek an honorable exit. Here is a chance in a century to achieve peace based on human equality and human dignity without further violence.

We call upon America to support our efforts in achieving majority rule in Rhodesia and Namibia immediately and the ending of apartheid in South Africa. If we are committed to peace, then let us join hands in building peace by removing factors underlying the current crisis.

If the oppressed peoples fail to achieve these noble ends by peaceful means, we call upon America not to give any support to the oppressors. Even now we call upon America to desist from direct and indirect support to minority regimes, for this puts America in direct conflict with the interests of Africa; that is, peace deeply rooted, deeply rooted in human dignity and equality and freedom without discrimination.

We have recently demonstrated, Mr. President, our readiness to make peaceful change possible in Mozambique and Angola. We are equally committed to assist the oppressed if they should convince us that the road to peaceful change is closed and armed struggle is the only alternative.

The rebels in Rhodesia, assisted by South African troops, have committed some of the worst atrocities

on the continent. Africa cannot allow them to continue, and we urge America not to allow them to continue.

Victory for the majority is a matter of time, a matter of time. Let us, therefore, make it as painless as possible to those who have dominated their fellow men for years.

Mr. President, we wish America to understand our aims and objectives. We are not fighting whites. We are fighting an evil and brutal system. On this there must be no compromise, none at all.

America should also understand our strategy. We want to achieve our objectives by peaceful methods first and foremost. Africa is ready to try this approach with patience and exhaust all possible tactics, for peace is too precious, is too precious for all of us. But our patience and the patience of the oppressed has its limits.

Mr. President, we are here only for a short time. We have no other mission except to take the opportunity of the visit to put Africa's stand clearly. We want to avoid confrontation, but let us not be pushed.

Once again, Mr. President, on behalf of my wife and my compatriots and, indeed, on my own behalf, I thank you, Mrs. Ford, and all our colleagues, brothers and sisters, for this warm welcome and hospitality.

This is indeed a memorable visit, memorable because it has been fruitful, and it coincides with the launching only yesterday of your Bicentennial celebrations. We congratulate the people of the United States for their tremendous achievements since independence, which have justified the anti-colonialist struggle of their Founding Fathers.

Finally, I take the opportunity of inviting you, Mr. President and Mrs. Ford, to pay a visit to Zambia. We will be happy to receive you in our country at any time convenient to you.

And may I say, sir, at that time I might answer the challenge of playing golf. [*Laughter*]

I now invite you, ladies and gentlemen, to join me and my wife and my colleagues in this toast to the President and Mrs. Ford.

Mr. President, Mrs. Ford, bilateral relations.

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Special Message to the Congress Reporting on Budget Rescissions and Deferrals. *April 21, 1975*

[Dated April 18, 1975. Released April 21, 1975]

To the Congress of the United States:

I herewith report four new proposed rescissions and six new deferrals as required by the Congressional Budget and Impoundment Control Act of 1974. In addition, I am transmitting two supplementary reports which revise deferral reports made to the Congress in previous special messages.

Five of the reports contained herein are withholdings in the fourth quarter of funds authorized under the Continuing Resolution for the Department of Health, Education, and Welfare. Resolution of two of these items might be better served by action upon the Administration's appropriation request for health planning and emergency school aid in the Second 1975 Supplemental Appropriation bill now pending before the Congress.

The items I am submitting in this special message, along with other actions I have already proposed, provide a means of restraining budget outlays and thereby can help hold the fiscal year 1976 budget deficit within reasonable bounds. When I signed the tax reduction bill on March 29, 1975, I noted that the estimated 1976 deficit had reached about \$60 billion and was threatening to go

as high as \$100 billion. Such an enormous deficit could generate another inflationary spiral and might well choke off any economic recovery. I will continue to resist every attempt to add to the deficit.

The details of the rescission and deferral reports are attached.

GERALD R. FORD

The White House,
April 18, 1975.

NOTE: The attachments detailing the rescissions and deferrals are printed in the Federal Register of April 25, 1975 (40 FR 18331).

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Special Message to the Congress Reporting on Budget Rescissions and Deferrals. *April 21, 1975*

[Dated April 18, 1975. Released April 21, 1975]

To the Congress of the United States:

As required by the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), I am transmitting nine supplementary reports that revise deferral reports sent to the Congress in the fall of 1974. I am also transmitting herewith reports on one new rescission and two new deferrals for the fiscal year 1975.

GERALD R. FORD

The White House,
April 18, 1975.

NOTE: The attachments detailing the rescissions and deferrals are printed in the Federal Register of April 25, 1975 (40 FR 18358).

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Remarks at the Swearing In of John E. Robson as Chairman of the Civil Aeronautics Board. *April 21, 1975*

Members of the Cabinet, Members of Congress, distinguished guests:

It is a great privilege and pleasure for me to participate in the swearing in of John Robson as Chairman of the Civil Aeronautics Board.

It is my judgment that the American commercial airline industry is one of the

very best. It has got fine people running it, managing it. It has got outstanding equipment and fine employees. It performs, in my judgment, a very useful function, a very vital part of our transportation system.

It seems to me, however, that as we try to achieve the most efficient commercial airline service in this country at the lowest possible cost, we do have to have an organization such as the CAB to look after such mundane matters as fares, routes, competition, and of course, the CAB must not neglect the environment, energy, and a raft of other important matters that are in the public interest.

In John Robson I think we will have a Chairman who will do an outstanding job. His experience in the field of transportation goes back to the days when the Department of Transportation was first established, first as General Counsel and secondly as Under Secretary, an outstanding lawyer, a person who has had experience in Government as well as in private practice.

John, it is a privilege and a pleasure for me to be here on this occasion to participate in your swearing in, and at this point, may I ask Justice Rehnquist to actually perform the function of making you a member, first, and following that, I will designate you officially as Chairman of the CAB.

[At this point, William H. Rehnquist, Associate Justice of the Supreme Court, administered the oath of office. Following remarks by Mr. Robson, the President resumed speaking.]

Thank you all for coming. We are very grateful. I see around here a good many old friends. And it is nice to see you. I am sure this occasion will be one that will be the beginning of a new era as far as the CAB is concerned.

Congratulations again, John.

NOTE: The President spoke at 5:04 p.m. in the Rose Garden at the White House. Mr. Robson's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 414).

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Interview With Walter Cronkite, Eric Sevareid, and Bob Schieffer of CBS News. April 21, 1975

MR. CRONKITE. Good evening, Mr. President.

THE PRESIDENT. Good evening, Walter.

MR. CRONKITE. Thank you for this opportunity to talk with you this evening here from the Rose [Blue] Room at the White House.

THE PRESIDENT. I am looking forward to it.

U.S. MARINES IN THE SOUTH PACIFIC

[1.] MR. CRONKITE. Mr. President, just this moment as we came on the air, I was surprised over this little machine here that the Associated Press and the United Press International are reporting from Honolulu that a large number of battle-equipped Marines, 800 or so, have left Hawaii by air on chartered aircraft. Can you tell us what their destination is and what's up?

THE PRESIDENT. Well, that is part of a movement to strengthen, or to bring up to strength, the Marine detachment in that area of the Pacific. It is not an unusual military movement. On the other hand, we felt, under the circumstances, that it was wise to bring the Marine group in that area of the world—the South Pacific—up to strength.

MR. CRONKITE. Can you tell us where they are going, sir?

THE PRESIDENT. Well, they're going—I don't think I should be any more definitive than that.

MR. CRONKITE. They are not going directly to Saigon are they?

THE PRESIDENT. No, they are not.

VIETNAM CONFLICT

[2.] MR. CRONKITE. Now that President Thieu has resigned, which was the big news of this morning, of course, are we involved in or are we acting as intermediary in any negotiations for a peaceful settlement out there?

THE PRESIDENT. We are exploring with a number of governments negotiating opportunities. But in this very rapid change, with President Thieu stepping down, there really hasn't been an opportunity for us to make contact with a new government. And the net result is we are planning to explore with them, and with other governments in that area or connected with that area, so that we don't miss any opportunity to try and get a cease-fire.

MR. SEVAREID. Mr. President, what is your own estimate of the situation now? Do you think that the Hanoi people want to negotiate the turnover of the city, a peaceful turnover, or just drive ahead?

THE PRESIDENT. Eric, I wish I knew. I don't think anybody can be absolutely certain, except the North Vietnamese themselves.

You get the impression that in the last few days they were anxious to move in very quickly for a quick takeover. On the other hand, within the last 12, 24 hours, there seems to be a slowdown. It is not certain from what we see, just what their tactic will be. We naturally hope that there is a period when the

fighting will cease or the military activity will become less intense so that negotiations might be undertaken or even a cease-fire achieved.

But it is so fluid right now, I don't think anybody can be certain what the North Vietnamese are going to do.

MR. SEVAREID. Are they communicating with our Government through third parties or otherwise?

THE PRESIDENT. Well, we have communications with other governments. I can't tell you whether the North Vietnamese are communicating with them or not. I don't know.

MR. SEVAREID. President Thieu, when he stepped down, said that one of the reasons was American pressure. What was our role in his resignation?

THE PRESIDENT. Our Government made no direct request that President Thieu step down. There was no pressure by me or anyone in Washington in that regard.

There may have been some on the scene in Saigon who may have talked to President Thieu. But there was no pressure from here to force President Thieu to step down, and he made, I am sure, the final decision all on his own.

MR. SEVAREID. But surely our representatives there would not speak without your authority on this matter?

THE PRESIDENT. Well, it is a question of how you phrase it. We never asked anybody to ask him to step down. There were discussions as to whether or not he should or shouldn't, but there was no direct request from me for him to relinquish his role as the head of state.

After all, he was an elected President. He was the head of that government, properly chosen, so his decision, as far as we know, was made totally on his own.

MR. SCHIEFFER. Mr. President, on the evacuation, you have expressed hope that something could be arranged so tens of thousands of loyal South Vietnamese could be brought out of the country.

Do you think it is possible to have something like that if the North Vietnamese oppose it or if the Vietcong are not willing to go along with it? Are any kind of negotiations underway now to try to set up some sort of an arrangement like that?

THE PRESIDENT. I would agree with you that if the North Vietnamese make a military effort, it would be virtually impossible to do so unless we moved in substantial U.S. military personnel to protect the evacuation.

On the other hand, if the South Vietnamese should make it difficult, in their disappointment that our support hadn't been as much as they thought it should

be, their involvement would make it virtually impossible—again, without a sizable U.S. military commitment. That is one reason why we want a cease-fire. That is why we want the military operation stopped so that we can certainly get all the Americans out without any trouble and, hopefully, those South Vietnamese that we feel a special obligation to.

But at the moment, it does not appear that that is possible. We intend to keep working on it because we feel it is the humane and the proper thing to do.

MR. SCHIEFFER. What if it is not possible? Then what do you do? Do you ask the Congress to let you send those troops in there, American troops to protect the withdrawal? Do you send them in without Congressional approval? What do you do next?

THE PRESIDENT. As you know, I have asked the Congress to clarify my authority as President to send American troops in to bring about the evacuation of friendly South Vietnamese or South Vietnamese that we have an obligation to, or at least I think we do.

There is no problem in sending U.S. military personnel in to South Vietnam to evacuate Americans. That is permitted under the War Powers Act, providing we give adequate prenotification to the Congress.

That is what we did in the case of Phnom Penh in our personnel there. But if we are going to have a sizable evacuation of South Vietnamese, I would think the Congress ought to clarify the law and give me specific authority. Whether they will or not, I can't tell you at this point.

MR. SCHIEFFER. Now, if you do send them in and if Congress gives you the authority, they will have to have air power. It will have to be a sizable commitment. They will almost have to have just an open-ended authority in order to protect themselves. That is what you are asking for, isn't it?

THE PRESIDENT. Unless the North Vietnamese and the South Vietnamese have a cease-fire, and then the evacuation of those South Vietnamese could be done very easily.

Now, if there is a military conflict still going on, or if either one side or the other shows displeasure about this, and if we decided to do it—there are a number of "ifs" in that—yes, there would have to be some fairly sizable U.S., on a short-term, very precise, military involvement, not on a broad scale, of course.

MR. CRONKITE. Mr. President, when did you last talk to President Thieu?

THE PRESIDENT. I have not personally talked to President Thieu since I became President. I have had a number of exchanges of correspondence with him, but the last time I talked to him was when he was in the United States and I was minority leader, and that was roughly 2 years ago, as I recollect.

MR. CRONKITE. Gracious, we have this hotline with a potential great power adversary, the Soviet Union, and yet with an ally who is in dire straits at this moment there is no communication between the Presidents. It seems strange.

THE PRESIDENT. Well, there is very good communication between myself, our Secretary of State, and our Ambassador there. So, there is no lack of communication, in and through proper channels. I don't think it is essential in this situation that there be a direct communication between myself and former President Thieu.

MR. CRONKITE. Might it help solve some of the misunderstandings if you had talked directly to him?

THE PRESIDENT. I don't think so. We have had communications back and forth, both by message as well as by correspondence. I think we understood one another. I think some of his comments were more directed at our Government as a whole than directed at me personally.

MR. SEVAREID. Mr. President, one of his comments was that the United States had led the South Vietnamese people to their deaths. Do you have any specific reply to that one?

THE PRESIDENT. Well, there were some public and corresponding private commitments made in 1972-1973 where I think that the President of South Vietnam could have come to the conclusion, as he did, that the United States Government would do two things: one, replace military hardware on a one-for-one basis, keep his military strength sufficiently high so that he could meet any of the challenges of the North; and in addition, there was a commitment that we as a nation would try to enforce the agreements that were signed in Paris in January 1973.

Now, unfortunately, the Congress in August of 1973 removed the latter, took away from the President the power to move in a military way to enforce the agreements that were signed in Paris.

So, we were left then only with the other commitment, and unfortunately, the replacement of military hardware was not lived up to. I, therefore, can understand President Thieu's disappointment in the rather traumatic times that he went through in the last week. I can understand his observations.

MR. SEVAREID. Well, what is the relative weight that you assign to, first, this question of how much aid we sent or didn't send, and his use of it, especially in this pullback? Now, where is the greater mistake, because historically this is terribly important.

THE PRESIDENT. Well, it is my judgment—history will be probably more precise—but it is my judgment at the moment that the failure of the Congress

to appropriate the military aid requested—the previous administration asked for \$1,400 million for this fiscal year; Congress authorized \$1 billion; Congress appropriated \$700 million; and the failure to make the commitment for this fiscal year of something close to what was asked for certainly raised doubts in the mind of President Thieu and his military that we would be supplying sufficient military hardware for them to adequately defend their various positions in South Vietnam.

Now, the lack of support certainly had an impact on the decision that President Thieu made to withdraw precipitously. I don't think he would have withdrawn if the support had been there. It wasn't there, so he decided to withdraw.

Unfortunately, the withdrawal was hastily done, inadequately prepared, and consequently was a chaotic withdrawal of the forces from Military Regions I, II, and III.

Now, how you place the blame, what percentage our failure to supply the arms, what percentage related to a hastily and inadequately prepared withdrawal—the experts, after they study the records, probably can give you a better assessment. But the initial kickoff came for the withdrawal from the failure of our Government to adequately support the military request for help.

MR. SCHIEFFER. Mr. President, what I don't understand is, if they are saying we have got to leave because the United States is not going to give us some more equipment, why did they leave all the equipment up there that they had? Why did they abandon so much of that equipment?

THE PRESIDENT. As I was saying, the withdrawal was very poorly planned and hastily determined. I am not an Army man. I was in the Navy. But I have talked to a good many Army and Marine Corps experts, and they tell me that a withdrawal, military withdrawal is the most difficult maneuver to execute, and this decision by President Thieu was hastily done without adequate preparation, and it in effect became a rout.

When you are in a panicky state of mind, inevitably you are going to leave a lot of military hardware. It is tragic. There is no excuse for that kind of a military operation, but even though that happened, if they had been given the military aid that General Weyand recommended during the last month, I am convinced that, with that additional military hardware on time, there could have been a stabilization of the situation which, in my judgment, would have led more quickly to a cease-fire.

MR. CRONKITE. Mr. President, you have said that you were not advised of this withdrawal of President Thieu's. Are you certain, however, that none of the

American military or diplomatic advisers out in Saigon did not agree with him that a limited withdrawal might be effective in bringing pressure on Congress to vote these funds and that, therefore, there was an American participation in that decision?

THE PRESIDENT. As far as I know, Walter, there was no prenotification to any, certainly high-ranking, U.S. military or civilian official of the withdrawal decision.

MR. SEVAREID. Mr. President, this whole affair is going to be argued over, and there will be vast books on it for years and years and years. Now, wouldn't it be wisest to publish the correspondence between former President Nixon and President Thieu, which is disputed now, the 1973 correspondence after the Paris accords?

THE PRESIDENT. In the first place, I have personally read the correspondence. The personal correspondence between President Nixon and President Thieu corresponds with the public record. I have personally verified that. I don't think in this atmosphere it would be wise to establish the precedent of publishing the personal correspondence between heads of state.

Maybe historically, after a period of time, it might be possible in this instance. But if we establish a precedent for the publication of correspondence between heads of state, I don't think that that correspondence or that kind of correspondence will be effective, because heads of state—I have learned firsthand—have to be very frank in their exchanges with one another, and to establish a precedent that such correspondence would be public, I think, will downgrade what heads of state try to do in order to solve problems.

MR. SEVAREID. Of course, there is no way to keep President Thieu from publishing it?

THE PRESIDENT. No.

MR. SEVAREID. Things like this have been judiciously leaked when it served the purpose of the President or the Secretary of State. You have no such plans for that?

THE PRESIDENT. No, I have no such plans. I think, and to be very frank about it, it seems to me that the American people today are yearning for a new start. As I said in my state of the world address to the Congress, let's start afresh.

Now, unless I am pressed, I don't say the Congress did this or did that. I have to be frank if I am asked the categorical question.

I think we ought to turn back the past and take a long look at how we can solve these problems affirmatively in the future. Vietnam has been a trauma for this country for 15 years or more. A lot of blame can be shared by a good

many people—Democrats as well as Republicans, Congress as well as Presidents.

We have got some big jobs to do in other parts of the world. We have treaty commitments to keep. We have relations with adversaries or potential adversaries that we should be concerned about. It is my judgment, under these circumstances, we should look ahead and not concentrate on the problems of the past where a good bit of blame can be shared by many.

MR. CRONKITE. Mr. President, Vice President Rockefeller suggested that he thinks this would be an issue in the 1976 campaign. Will you make it an issue in 1976 or will you try to keep it out of the campaign?

THE PRESIDENT. I will not make it a campaign issue in 1976.

MR. SCHIEFFER. Well, will Mr. Rockefeller? I didn't quite understand what he was driving at in that recent interview when he said, you know, if two or three thousand Americans die in this evacuation, that raises some issues.

THE PRESIDENT. Well, of course, the record—whatever a man in public office says—can be, in and of itself, a campaign issue. But I can speak only for myself. And I do not intend to go out and point the finger or make a speech concerning those who have differed with me who I might privately think contributed to the problem.

By 1976, I would hope we could look forward with some progress in the field of foreign policy. I think we have got some potential successes that will be very much possible as we look ahead.

So, rather than to replay the past with all the division and divisive feelings between good people in this country, I just hope we can admit we made some mistakes—not try to assess the blame—but decide how we can solve the problems that are on our doorstep. And we have a few, but they are solvable if we stick together, if we have a high degree of American unity.

MR. CRONKITE. Well, there is not much trouble leaving the Vietnam issue as the Nation has had in leaving Vietnam here tonight, but I would like to ask just one more. Have you talked to former President Nixon about any aspect of this Vietnam thing in the last few weeks?

THE PRESIDENT. After my state of the world speech April 10, he called me, congratulated me on it. We discussed what I had said. It was a rather short, but a very friendly chat on the telephone.

MR. CRONKITE. Any talk about secret agreements?

THE PRESIDENT. As I recall the conversation, he reiterated what I have said: that the public record corresponds with the private correspondence in reference to the commitments, moral or legal or otherwise.

FOREIGN POLICY

[3.] **MR. CRONKITE.** Speaking of your state of the world address, there was speculation around just before that address that you were going to use it to put your own stamp on foreign policy. I think the phrase was “to get out from under the shadow” of Secretary Henry Kissinger. Do you feel you did that with that speech, or was that ever your intention?

THE PRESIDENT. It wasn’t done to show any particular purpose, other than the problems we had. Vietnam, of course, was number one on the agenda. We did want to indicate that, and I must say we—it means the Administration—that we were strengthening NATO. We had to solve the problem of the dispute between Greece and Turkey over Cyprus.

It was sort of a world look, and I don’t think it was necessary for me to put my own imprint. I think it is more important to deal with reality rather than to try and go off on my own. The problems have to be solved, and I don’t care who has the label for it.

MR. SEVAREID. Mr. President, we all get the impression, and have since you have been in office, that you get your foreign policy advice exclusively from Henry Kissinger. If that isn’t so, who else do you listen to?

THE PRESIDENT. That is a good question, and I would like to answer it quite frankly.

The National Security Council meets on the major decisions that I have to make—SALT, MBFR, et cetera. I get the recommendations from the National Security Council. It includes Secretary Kissinger, Secretary Schlesinger, the head of the CIA, the Chairman of the Joint Chiefs of Staff. The major decisions come to me in option papers from the National Security Council.

Now, I meet daily with Secretary Kissinger for about an hour, because I think it is important for me to be brought up day by day on what the circumstances are in the various areas where we have potential decisionmaking on the agenda. But the actual information that is involved in a major decision comes through the National Security Council.

MR. SEVAREID. Suppose there is a position paper or a policy recommendation from somebody in the National Security Council to which the Secretary is opposed? Could it get to you? Could it get past him to you?

THE PRESIDENT. Oh, yes. Surely, no question about that. As a matter of fact, in our discussions in the National Security Council, particularly when we were preparing for SALT II negotiations, there were some options proposed by one individual or others.

There wasn't unanimity at the outset, but by having, as I recall, three or four NSC meetings, we resolved those differences. At the outset there were differences, but when we got through, there was unanimity on what we decided.

MR. SEVAREID. There is one more short question on this. It was the complaint of many people who worked with President Johnson on the Vietnam war that he never had time to read any of the books about Indochina, the French experience, the Vietminh movement, and so on. Have you ever had time to read the books about that part of the world?

THE PRESIDENT. I, over the years, have read four to five books, but I have had the experience of sitting on a committee on appropriations that had involvement going back as early as 1953 with economic-military aid to South Vietnam. And those hearings on appropriations for economic and military aid would go into the problems of South Vietnam, Laos, Cambodia, South Vietnam, in great depth.

So, this outside reading, plus the testimony, plus the opportunity to visit South Vietnam, I think, has given me a fairly good background on the history as well as the current circumstances.

MR. SEVAREID. Do you get time to read any books now?

THE PRESIDENT. Oh, I read, Eric, about one a month.

PRESIDENT'S SCHEDULE

[4.] MR. SCHIEFFER. Mr. President, I had planned to ask you this later, but perhaps it follows Eric's question, sort of related to this subject, and that is covering you.

You are a very active President. You travel a lot. You take part in a lot of public activities. You have said that you want to take the Presidency to the people. But do you really have time to give serious thought to questions? When do you reserve time to just think about things? I suppose the question is, do you feel sometimes that you devote too much time to secondary things?

THE PRESIDENT. Not at all. I am a very well organized person. When I am in the office, I have a very set routine that gives me the opportunity to read position papers, recommendations, outside material.

And if you spend, as I do, on the average of 14 to 15 hours a day on the job in one way or another, I think I do have an opportunity to get not only the input from Government people but an input from people on the outside.

Now, it is true I will travel some, but I happen to think it is wholesome and

healthy for a President to get out of Washington, to go to New Hampshire, to go to Boston, to go to New Orleans, to go to other places.

You get a little different perspective of not only the problems but the attitude of people, and it is helpful to get that input from other sources.

SECRETARY OF STATE KISSINGER

[5.] MR. CRONKITE. John Hersey, in that excellent New York Times Magazine piece yesterday, said that you are quite impatient with palace feuds—

THE PRESIDENT. That's an understatement.

MR. CRONKITE. And yet, reports have gone around quite continually here in Washington that there are members of your most intimate White House Staff who would like to see Dr. Kissinger go. Are you aware of that?

THE PRESIDENT. Well, if they believe it, they have never said it to me. I happen to think Henry Kissinger is an outstanding Secretary of State. I have thought it since I have known him and he has been in the job.

Fortunately, my personal acquaintanceship with Secretary Kissinger goes back 10 or 15 years, so I have known him over a period of time, and it is my strong feeling that he has made a tremendous contribution to world peace.

He has been the most effective Secretary of State certainly in my period of service in the Congress, or in the Vice Presidency, or the White House. I have never heard anybody on my staff ever make a recommendation to me that Secretary Kissinger should leave.

MR. CRONKITE. What about suggestions—

THE PRESIDENT. I would strongly disagree with them and let them know it quite forthrightly.

MR. CRONKITE. What about suggestions that perhaps someone else should be the National Security adviser, that he should give up one of those hats? How do you feel about that?

THE PRESIDENT. If you were to draw a chart, I think you might make a good argument that that job ought to be divided.

On the other hand, sometimes in government you get unique individuals who can very successfully handle a combination of jobs like Secretary Kissinger is doing today as head of the National Security Council and Secretary of State.

If you get that kind of a person, you ought to take advantage of that capability. And therefore, under the current circumstances, I would not recommend, nor would I want, a division of those two responsibilities.

MR. CRONKITE. Is there any talk of his resigning?

THE PRESIDENT. I have talked to Secretary of State Kissinger. I have asked him to stay. And he is committed to stay through the end of this Administration, January 20, 1977.

CENTRAL INTELLIGENCE AGENCY

[6.] MR. CRONKITE. Mr. President, you said last fall—changing the subject—regarding the CIA, that you were ordering a study on how better to keep Congress informed of CIA activities. Can you tell us how that study is coming, and can we expect any report on that in the near future?

THE PRESIDENT. I appointed the Rockefeller Commission, an excellent group, and they are now in the process of taking testimony from people within the Government and people outside of the Government. It is a very thorough investigation. They have an outstanding staff.

I would expect within the next 60 to 90 days I would have from that Commission its recommendations for any structural changes or any other changes that might be made, but I haven't gotten that report yet.

MR. CRONKITE. That is the only study. There is not a study on just Congressional liaison with the CIA?

THE PRESIDENT. No. That, to some extent, is a separate issue. Now, the Congress in recent years has broadened the number of people who are filled in by the CIA.

When I was on the Committee on Appropriations, I don't think there were more than 10 or 12 people in the Congress, House and Senate, who were kept abreast of the budget of the CIA, the activities of the CIA. But today, I would guess that it is close to 50 to 75.

Now, when the number of people being told reaches that magnitude, inevitably there can and will be leaks about some of the jobs or activities being undertaken by the CIA.

Of course, the CIA under those circumstances can't possibly operate effectively, either covertly or overtly, so I think we have got to find a better way of adequately keeping the Congress informed, but not enlarging the number who have to be informed.

MR. SEVAREID. Mr. President, wouldn't the whole thing be safer and clearer and cleaner if it was simply the law that the CIA gather intelligence only and engage in no covert political operations abroad?

THE PRESIDENT. If we lived in a different world—

MR. SEVAREID. It might help to make the world different.

THE PRESIDENT. Well, I can't imagine the United States saying we would

not undertake any covert activities, and knowing at the same time that friends, as well as foes, are undertaking covert activity, not only in the United States but elsewhere. That would be like tying a President's hands behind his back in the planning and execution of foreign policy.

I believe that we have to have an outstanding intelligence-gathering group, such as in the CIA or in the other intelligence collection organizations in our Government. But I also think we have to have some operational activity.

Now, we cannot compete in this very real world if you are just going to tie the United States with one hand behind its back and everybody else has got two good hands to carry out their operations.

MR. CRONKITE. Do you people mean by covert activities—I want to get clear on this—does this mean the use of the dirty tricks department to support friendly governments and try to bring down unfriendly ones?

THE PRESIDENT. It covers a wide range of activities, Walter. I wouldn't want to get in and try to pinpoint or define them, but it covers a wide range of activities. I just happen to believe as President—but I believed it when I was in the Congress—that our Government must carry out certain covert activities.

MR. SCHIEFFER. Mr. President, what do we get for that, for these covert activities? We hear about this business of destabilizing the government in Chile—we didn't seem to help ourselves very much in that—the Phoenix program in Vietnam, the secret war in Laos. Is it that we just never hear of the successful ones?

THE PRESIDENT. A good intelligence covert activity you don't go around talking about.

MR. SCHIEFFER. Have there ever been any good ones?

THE PRESIDENT. There have been some most successful ones, and I don't think it is wise for us today to talk about the good ones or even the bad ones in the past.

It is a very risky business, but it is a very important part of our national security, and I don't think we should discuss—certainly I shouldn't discuss—specifics.

I shouldn't indicate we have done this or done that. But I can assure you that if we are to compete with foes on the one hand, or even be equal in the execution of foreign policy with our friends, we have to have covert activities carried out.

MR. CRONKITE. But how in a democracy can the people have an input into what governments overseas they are going to knock off or what ones they are going to support? It seems to be antithetical to the whole principle of democracy

THE PRESIDENT. Every 4 years, Walter, the American people elect a President, and they elect a Congress every 2 years, or most of the Congress every 2 years.

The American people, I think, have to make a judgment that the people they elect are going to carry out, of course, domestic policy, but equally important, foreign policy.

And the implementation of foreign policy inevitably means that you are going to have intelligence gathering as well as operational activities by your intelligence organization.

THE MIDDLE EAST

[7.] MR. CRONKITE. Can we move on to the Middle East now? Are you reconciled to a Geneva meeting now, or would you still like to see some more direct diplomacy in the step-by-step Kissinger pattern?

THE PRESIDENT. I think, following the very serious disappointment of the last negotiations between Israel and Egypt, we are committed, at least in principle, to going to Geneva.

Now, in the meantime, we are going through this process of reassessment of our whole Middle Eastern policy which, prior to the suspension of the negotiations between Egypt and Israel, had been a very successful one.

Now, there really are three options. You could resume the suspended negotiations without making a commitment to go to Geneva. You could go to Geneva and try to get an overall settlement, which is a very complicated matter—many people advocate it, however. But while you were going through this negotiation for an overall settlement, as a third option you might have an interim negotiated settlement between two of the parties, such as Israel and Egypt.

Now, those are basically the three options. We have not made any decision yet. We have had our Ambassadors from the Middle East come back and report to me. We have undertaken a study under the leadership of Joe Sisco¹ to bring together the best thinking and all of the options.

We have brought in, or Secretary Kissinger has brought in, some outside experts in the Middle East. Last week, I had a meeting with a former State Department official, Gene Rostow,² who is an expert in this area. But right at the moment, we have made no firm decision as to what our next particular step will be in the Middle East.

¹ Joseph J. Sisco, Under Secretary of State for Political Affairs.

² Eugene V. Rostow, Under Secretary of State 1961–66.

MR. SEVAREID. Mr. President, can you foresee any possible circumstances in which you would feel it right to send American Armed Forces into the Mideast on land or in the air? In other words, military intervention?

THE PRESIDENT. I can't foresee any, Eric, but—I see no reason to do so. So, I think the answer is pretty categorically no.

MR. SEVAREID. What about a wholly different level? If there were agreement for a Russian and American peace patrol and that the alternative to that was another Mideast war, would you go that far?

THE PRESIDENT. Well, you put it on about the most extreme alternatives. We want peace in the Middle East, and I think the Soviet Union does, too.

I would hope that there wouldn't be a need for either the United States or the Soviet Union having any peacekeeping responsibilities with their own forces in the Middle East.

MR. SCHIEFFER. Mr. President, does the reassessment now going on of Middle East policy also include a reassessment of the U.S. position toward the Palestinians?

THE PRESIDENT. Well, if you take the path of an overall settlement and going to Geneva, I think you have to have an analysis of what is going to happen there, because the Palestinians are going to demand recognition. But I don't mean to infer that we have made any decision. But the Palestinians have to be examined as a part of the overall Middle East situation.

I am not making any commitment one way or another, but it has to be part of the problem that we are analyzing.

MR. SCHIEFFER. Well, let me ask you this just as a followup. Could the Palestinians be included if they refused to deal with the Israelis?

THE PRESIDENT. I don't see how, because the Israelis, in the first place, don't recognize the Palestinians as a proper party and the PLO doesn't recognize the existence of Israel. So, I think that is an impasse right there, and it will be one of the most difficult things that will have to be worked out if it is worked out at Geneva.

MR. SCHIEFFER. Do you have any feel for when there will be a date for the Geneva Conference reconvening?

THE PRESIDENT. I have seen a lot of speculation early this summer, but no set time has been determined.

MR. CRONKITE. Mr. President, the Israeli Foreign Minister Allon is in Washington now, and there are reports out of Jerusalem today that he is going to suggest a summit meeting between you and President [Prime Minister] Rabin. Do you expect to have such a meeting?

THE PRESIDENT. I wouldn't expect that I would make any commitment on that until we are further along in our reassessment. It may be desirable at some point. It may be desirable to meet other parties or other heads of state in the Middle East, but I don't want to make any commitment tonight as to anyone or as to more than one.

MR. CRONKITE. Doesn't that sort of imply that we are still being a little bit hardnosed in our disappointment over the Kissinger mission?

THE PRESIDENT. No, I think it is wise for us to take a look ourselves at the new options or different options. I certainly wouldn't rule out a meeting with Mr. Rabin, but I don't want to make any commitment to one until we have moved a bit further down in the process of reassessment.

I reiterate that if we meet with one, we certainly ought to give others an opportunity, other heads of state, to have the same input.

MR. CRONKITE. So, there won't be any favored-nation treatment of Israel in the future?

THE PRESIDENT. I think we have to, in this very difficult situation, where the possibility of war is certainly a serious one—if you have a war, you are inevitably going to have an oil embargo—I think we have to be very cautious in our process of reassessment.

THE NATION'S ECONOMY

[8.] MR. CRONKITE. Mr. President, speaking of an oil embargo and the general state of the economy, which it directly affects, the cities are broke, the States are broke, the Federal Government is broke. In order to try to meet recessionary pressures, we feed inflation; to meet inflation, we feed recessionary pressures. Is there any end to this thing? What is down the road economically?

THE PRESIDENT. I happen to be a good bit more optimistic than the picture you paint, Walter. But I think there are a number of facts that give me a good reason to be fairly optimistic.

We have gone through the most precipitous inventory liquidation in the last several months in the history of recordkeeping in the United States. We are almost at the bottom of that. And there are other factors that are appearing that are encouraging.

We have gotten some good news in the area of a lesser rate of inflation. Retail sales have held up pretty good. New orders are doing reasonably well.

I am an optimist about moving the economy forward. Now, if we do, in the latter half of this calendar year, then some of the financial problems of the Federal Government, State and local units of government, will be in much better

shape. Their revenues will increase, including ours. So, this acute situation today that you describe very dramatically, I don't think will be nearly as bad in the months ahead.

FEDERAL RESERVE SYSTEM

[9.] MR. SEVAREID. Mr. President, the Federal Reserve Board in this system of ours is virtually a fourth branch of Government. It is not checked or balanced by any other branch of Government. It can turn the money tap on or off. It has the power to virtually negate any economic recovery program that you or the Congress, or the two of you, put forward. And a lot of people think that is what it has been doing. Would you support any of these proposals for legislation to change the law to make them more amenable to the whole political process?

THE PRESIDENT. My judgment is that the Federal Reserve Board needs a high degree of autonomy. The minute we turn the central banking setup into a political weapon, then I think our credibility for responsible monetary policy goes down the drain.

MR. SEVAREID. But it is a political weapon now.

THE PRESIDENT. But it is autonomous. I can't call up Arthur Burns and tell him to do this or do that, and the Congress can't unless they change the law.

Now, on the other hand, Arthur Burns does sit in on some of our economic policy meetings. He is very helpful in his observations. And I think the record will show the last 2 months that they—they, the Federal Reserve Board under his leadership—have increased the supply of money very substantially.

MR. SEVAREID. Yes, but the quarterly average is pretty low yet.

THE PRESIDENT. Well, the most recent figures—I think they have been published—are very encouraging as to the money supply, and there has been a very substantial decrease in interest rates over the last 3 or 4 months because of responsible action taken by the Federal Reserve Board.

My feeling is that if we politicize the Federal Reserve Board, make it a tool of the Administration or the tool of the Congress, we will lose a great deal of integrity, which I think is vital in the management of our money supply.

MR. SEVAREID. But if stupidity should happen to go along with that integrity, you can't do anything about it. Ought not the terms of the members be shorter, or the Chairman's term be coterminous with the President's term, something of that kind?

THE PRESIDENT. Well, something of that kind certainly ought to be explored. But to make the Chairman or the members all a part of an Administration,

I think, would lead to partisan problems that would be much, much worse than any of the problems we have today, if we have any.

And I must say, in all honesty, Dr. Burns has been very understanding. When the record of this last year is written, it seems to me that there has been a close coordination between fiscal and monetary policy which will substantially contribute to the recovery we are talking about the latter part of this year.

1976 PRESIDENTIAL CAMPAIGN

[10.] MR. CRONKITE. Mr. President, speaking of the Presidential term, I assume nothing has happened in the last few days to change your mind about running in 1976. Will you enter the primaries?

THE PRESIDENT. Walter, I have indicated that I intend to be a candidate. I have not made any categorical, legal determination that I will be a candidate. I did say, when I was up in New Hampshire last Friday, that I expected to be up in New Hampshire in March of 1976. I like the country, I like the people, and I might have a good reason to be up there.

MR. CRONKITE. Do you think that the incumbent President ought to stand in the primaries then as a general principle?

THE PRESIDENT. I like political competition, and I think it is wholesome for the electorate to have candidates for whatever office stand up and defend, debate what their views are.

MR. CRONKITE. Will you debate your opposition in 1976?

THE PRESIDENT. I haven't made that decision because I haven't decided categorically I am going to be a candidate, but we will take that under consideration.

MR. SEVAREID. But assuming you are a candidate, Mr. President, and if Mr. Nixon, the last President, offered his campaign help to you, would you accept it?

THE PRESIDENT. I like to run on my own. And I think when I make the decision to be a candidate, I will stand on my own record. I won't solicit others to come in and help me.

MR. SCHIEFFER. Mr. President, it seems to me you are giving us a little softer answer than I had the impression you had been giving as I have been listening to you give these speeches around the country recently.

THE PRESIDENT. Bob, you haven't heard me say categorically I was going to be a candidate—and for a good reason. Let me tell you the reason that basically keeps me from making an all-out decision.

As President I inherited a number of difficult problems: the economy, which included inflation and unemployment, the problems of Vietnam, the Middle

East. I am not blaming anybody, but all of a sudden, they were thrust on my shoulders. I had to make some hard decisions, some unpopular ones. And if I had been an active candidate in the process of making some of those decisions, individuals or newspapers or others could say, well, he did it for political reasons.

I will make those decisions as best I can without having the handicap of being a candidate for reelection. At some point I will make that decision.

But in the meantime, it is better for me not to be open to the charge that I am making a decision for one political reason or another.

MR. SCHIEFFER. But you are saying to us that you may not be a candidate?

THE PRESIDENT. I didn't mean to leave that impression.

MR. SCHIEFFER. Let me ask you another question.

THE PRESIDENT. I certainly didn't mean to give you that point of view.

VICE PRESIDENT ROCKEFELLER

[11.] MR. SCHIEFFER. All right, let me ask you another question, Mr. President, along that line. If you are a candidate, are you locked into Nelson Rockefeller as your Vice President? There are some people, as you know very well, in the right wing of your party, who just can't seem to tolerate Mr. Rockefeller. Would you give any thought to another running mate if indeed you are a candidate?

THE PRESIDENT. Well, I picked Nelson Rockefeller for Vice President because I thought he would do a fine job. He has done a fine job. A person who performs well, I think, ought to continue on in a position of responsibility.

I see no reason whatsoever, at this point anyhow, and I can't foresee any, where there should be any change.

MR. CRONKITE. If it were a matter of keeping the conservatives behind your ticket in 1976, you would not dump Nelson Rockefeller?

THE PRESIDENT. In the first place, Walter, I think the public has a wrong perception of Nelson Rockefeller. He is not the wild liberal that some people allege.

MR. CRONKITE. It is not the public; it is the conservatives in your own party that have that view.

THE PRESIDENT. Well, I happen to think that he is a very responsible public official, responsible about fiscal affairs, he is responsible about strong national defense, he is an excellent administrator. I really think some of the charges made against him are unfair and unfounded.

MR. CRONKITE. And you will persuade the conservatives of that?

THE PRESIDENT. I think we can persuade the ones that will look at the facts. I think a lot of them will, because they know of his fine record.

JOHN CONNALLY

[12.] MR. CRONKITE. Do you see a role for John Connally in 1976 in the Republican Party?

THE PRESIDENT. I think so. I think John Connally—he was acquitted; all charges have been dismissed.³ He has a clean slate, and he has got the record in the courts to prove it. So, I think there could be a role for John Connally in the Republican Party in 1976.

MR. CRONKITE. What about bringing him back into your government? Is that a possibility?

THE PRESIDENT. We hadn't gotten to that point, but if we find a spot where he would fit and he was willing, I think he would make a fine addition to any administration. I thought he was an excellent Secretary of the Treasury.

FOREIGN POLICY

[13.] MR. CRONKITE. Mr. President, I think we have got time for a final question, gentlemen, and I am all wound up with one.

Two hundred years ago, this new Nation gave promise to the world of new concepts of freedom, of independence, of the dignity of the individual. Today, we find ourselves as a great power, as a gendarme to the world, and as an arms supplier to the world.

Last week, to the Daughters of the American Revolution you said, "Like it or not, we are a great power, and our real choice is whether we succeed or fail in a role we cannot shirk." What is that role?

THE PRESIDENT. The role is one of leadership to the free world and leadership, really, in trying to make a better world not only for those in the United States, those aligned with us, but hopefully, those in countries where we don't have alliances or friendly relations.

I think the United States has the potential, has the responsibility on the broadest basis I know to make this a better place in which to live.

And I think, as long as I am President, I am going to make a maximum effort in that way, diplomatically, economically, in every way that I can conceive.

³ See footnote 3, page 225.

I think that is my job as President. And I think it is the responsibility of the American people. There is no reason why we shouldn't. We have the potential. We have the people. We have everything to do it with. And I just hope we will move ahead.

MR. CRONKITE. Thank you very much, Mr. President, and good night, sir.

MR. SEVAREID. Thank you, Mr. President.

MR. SCHIEFFER. Thank you, Mr. President.

NOTE: The interview began at 10:01 p.m. in the Blue Room at the White House. It was broadcast live on CBS radio and television.

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Statement on the Death of Franklin Rockefeller Little.

April 22, 1975

MRS. FORD and I join with the people of New York State and with all Americans who cherish a free and vigorous press in mourning the passing of Franklin Rockefeller Little.

As the owner, editor, and publisher of a number of newspapers in New York, Franklin Little distinguished himself as a man who was devoted to the truth and to informing his many readers of the truth and the meaning of events—great and small. His expert and incisive commentary on the major issues of his time was his trademark. He left his imprint as well on a host of endeavors for the public good.

For more than half a century, newspapering was his work, and it is now his proud legacy to those who will follow him. An outstanding public servant, a man who never lost the reporter's instinct for news, Franklin Little has left a great void in his own profession and in the State and Nation he served with such distinction.

NOTE: Mr. Little was chairman of the New York Publishing Company.

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Remarks in New Orleans at Groundbreaking Ceremonies for the F. Edward Hébert Library. April 23, 1975

Thank you very much, my close and dear friend, your Congressman, Eddie Hébert. Mrs. Hébert, Governor Edwards, Lieutenant Governor Fitzmorris, Senator Johnston, my former colleagues in the House of Representatives Lindy Boggs and Dave Treen, Mayor Landrieu, Bishop Hannan, distinguished guests, ladies and gentlemen:

I don't believe that I have ever had a more complimentary introduction. And I hope and trust, Eddie, that what you have said I can live up to. It certainly is what we as a people must do. And to the extent that I can, you can be assured that I will try to the maximum.

I am here in the great area of New Orleans. It is a privilege and a pleasure for me to participate in the groundbreaking ceremony for the Hébert Library. There are few men in the United States Congress that I have known longer or respected more than the man that all of us honor here on this occasion today.

Eddie Hébert and I have many views in common. We have had some areas of disagreement, but the main relationship that I have had with your great Congressman is the personal one. And that personal relationship has meant a great deal to me over the time that we have known one another.

I compliment all of you in this great part of our country for showing the superb judgment in seeing to it that you are represented by Eddie Hébert.

Eddie Hébert was a legislative veteran when I entered the Congress in January of 1949. Eddie Hébert is a leading Member of the Congress today, 26 years after I first met him and 34 years after he first entered the Congress of the United States.

But we are not paying tribute today to Eddie Hébert because of his stamina and Eddie's staying-power, remarkable as those attributes are. We are here today because of the service Eddie Hébert has rendered to all of you and many before you and hopefully many that will follow you. He has rendered an unbelievable service on behalf of his people, his State, and his country.

Now, even though Eddie and I have served on different sides of the political aisle in the House of Representatives, I have especially respected his total dedication to a strong America. I guess so many of us feel very close to Eddie Hébert, and I especially—and let me tell you a story, if I might.

When I was the Republican leader in the House of Representatives, Eddie

Hébert, a very staunch Democrat, was sent an invitation to a Republican leadership breakfast by mistake. Well, Eddie had enough of that wonderful sense of humor to let that one go by. He didn't say a word. He just sent the invitation back to me with a clipping of an ad for cigarettes, and it said, "I'd rather fight than switch."

I worked with Eddie for more than a quarter of a century as a colleague and now as President, and I can plainly and categorically tell you that one of the reasons America is strong, free, and secure as a nation is because of men like Eddie Hébert in the Congress of the United States.

Congressman Hébert's skill as a negotiator is well known in Washington. The tangible evidence of it is apparent here in the great State of Louisiana. Eddie Hébert is such a great negotiator—if he had arranged the Louisiana Purchase, not only would he have purchased that huge amount of land for only \$15 million but I have the feeling that Eddie would have gotten some green stamps, too.

You know, of course, that Eddie was one of the outstanding crusading newspaper people in Louisiana prior to his service in the Congress. He had a reputation as an individual who was hard-working in that field of journalism, and a nose for news, and was highly recognized in his profession. But even Eddie has a slight credibility gap, as I discovered in reading his biography.

It goes back to 1940, during his first campaign. Eddie said, if elected, he would serve only one term. He said he was just taking a sabbatical from his newspaper occupation. I think it is fair to say that even if he has extended his sabbatical a few extra years—32, to be exact—Eddie has paid his dues both as a journalist and a Congressman.

It seems highly appropriate to me that his literally thousands and thousands of friends here in New Orleans and elsewhere would pay tribute to his record and to him as a person by the establishment of this library. I consider it a great privilege and a very high honor to participate. There is no finer way, in my judgment, to make Congressman Hébert's record indelible in this community than to have this building and its contents in this wonderful place in this area.

Of course, Eddie's best monument will be his achievements, his own record as a public servant. But the mementos in this building, in this library, will help to tell the story of those great achievements, will help to keep them alive for the generations to follow.

It occurs to me that everything I have said so far reeks a little too much of the past, of a story that is already ended, and that is not the way his friends, and particularly myself, feel about Eddie Hébert. We honor him today, not only for

what he has achieved but for what he continues to achieve. He is a courageous, untiring patriot and, on a personal basis, I think, a great guy. May he keep serving his country. May he keep serving his country, warming our hearts for many, many long years to come.

If I may, may I add a very personal note. May Eddie's wonderful sense of humor stay with us, too, lightening the burdens when things seem heaviest and reminding us all that even in serious times—and we have some serious times right now—we must never lose our gift of laughter.

Another quality which Eddie possesses was once described by Robert E. Lee, in very simple and very moving words. "Duty," said Lee, "is the sublimest word in our language. Do your duty in all things. You cannot do more; should never wish to do less."

Eddie Hébert lives by that code. I have never known him to do any less than his very best. Louisiana is a better State and America is a better country because of our friend Eddie Hébert.

I am proud. I cherish the many times I have been with him on the floor of the House, in meetings concerning our national security. I cherish that relationship and the opportunity to have served with him. As I said earlier, I am even prouder to call him my friend, and I think this is really the feeling that all of us have here today, and we are fortunate to be sharing with one another.

Thank you very, very much.

NOTE: The President spoke at 10:50 a.m. In his opening remarks, he referred to the Most Rev. Philip M. Hannan, Archbishop of New Orleans.

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Remarks in New Orleans at the Annual Convention of the Navy League of the United States. April 23, 1975

Thank you very much, Mr. President. Governor Edwards, Senator Johnston, Representative Hébert, Representative Treen, and my dear friend, Representative Lindy Boggs, Mayor Landrieu, Rabbi Feibelman, Archbishop Hannan, distinguished guests, ladies and gentlemen, Chaplain Ray, merci garçon:

Obviously, Governor, I am delighted and highly honored to be a good Cajun. Mr. Governor, you are also a good Cajun and have done very well in the political arena in Louisiana. Now that I am a good Cajun, I hope I am as lucky as you are. [Laughter]

Well, members of the Navy League and your honored guests, it is a great

privilege and a very high honor to have the opportunity of being here in New Orleans and participating in your 73d annual convention.

They say the Navy offers opportunity, and you had better believe it. In 1942, I became an ensign, one of those 90-day wonders. In 1943, I became a lieutenant. In 1945, I became a lieutenant commander. And in 1974, I became Commander in Chief. Now, you can't ask for any more opportunity than that. [*Laughter*]

I do have to admit that being Commander in Chief of all of our Armed Forces does present me with one of several problems—in November, at the Army-Navy game, for example. I now have to spend half of the game rooting for the Army and half of the game rooting for the Navy. Fortunately, the late President Kennedy came up with the perfect solution to a somewhat similar problem. He was in Iowa just before their big game with Notre Dame, and someone asked him who he would be rooting for. John Kennedy said, "I will be rooting for Iowa." A tremendous cheer went up. Then he added, "But I will be praying for Notre Dame." [*Laughter*] So, come the Army-Navy game, I will let you figure out who I will be rooting for and who I will be praying for.

But there is a much more serious subject than the Army-Navy game that I would like to discuss with you for a few moments—the strength and the size of our merchant marine and our Navy. Both are as vital as anyone can imagine to our survival as a nation, and yet, both of them face very serious problems. But the problems are not insolvable.

In the case of the merchant marine, I have always believed in doing everything possible to keep the American flag flying over a large, modern, competitive merchant marine.

In Congress, I worked long and hard with many, many others to help pass the Merchant Marine Act of 1970. This very important legislation initiated a Federal program to improve the international competitive position of the United States merchant marine. Through this program, contracts will have been awarded by June 13 of this year for new construction or conversion of approximately 77 ships, with an annual funding of some \$284 million.

Budget requests for construction subsidies will continue at approximately the same level in the next fiscal year. Expenditures for operational subsidies for United States flagships will climb—and, I think, appropriately—to a record high of \$316 million. Our total Federal expenditures for Federal maritime programs—and bear in mind they are an integral, vital part of our total seagoing Navy—will be some \$678 million as compared with a relatively smaller sum of about \$500 million 2 years ago.

I give you my word that we will have a vital merchant marine in the future,

and in the White House I will do as I did in the Congress, work for that objective for our national security.

While I am on the subject of our merchant marine, let me add my very strong personal congratulations to Paul Hall, president of the Seafarers' International for this wonderful award that he has received.¹ There is a man who believes in America, has fought for America, and will continue to be in the leadership in keeping America strong in the future. Congratulations, Paul. It is a well-deserved tribute to a great union leader and a great American.

Our Navy also has entered into a time of challenge. Like the rest of our Armed Forces, its cost, even its purpose, is being questioned by many serious, sincere Americans, in and out of the Congress. No doubt some of this questioning results from our long and very tragic American experience in Indochina. No doubt, some stems from very understandable desires to spend money on plowshares rather than on swords, to put our resources into so-called social programs instead of into defense. But to keep America at peace, to enable us to make the kind of social progress we really want, we must keep America strong today and strong tomorrow.

One of those invaluable keys to achieving peace is a strong, modern American fleet. The Navy is still a very major instrument for resolving crises short of war. Its very presence in a trouble spot serves as a deterrent. It carries supplies, shows the flag, and provides a very flexible, but yet very powerful force that can help defuse tension in an area before it deteriorates into a crisis. It is a very vital part of our total defense establishment in peace as well as in war.

Let me put it in, if I might, even more concrete terms. Since 1958, our Navy and Marines have served in quick response to emergency situations 49 different times. The nature of the response, of course, varied from 32 cases in which it was a matter of showing the flag, to emergency interventions to protect American lives, property, and our national interest.

Let me give you several examples. In 1958, Navy and Marine units helped to restore order in riot-torn Lebanon and to protect American interests. In 1962, they enforced the quarantine on Soviet ships and helped to end the Cuban missile crisis. In 1965, they saved American lives and helped restore order in the Dominican Republic. In 1970, they helped to prevent disturbances in Jordan from erupting into another Middle Eastern crisis. And right now in Southeast Asia, Navy and Marine forces are standing by to assist in humanitarian relief and evacuation efforts, or to carry out any mission assigned to them.

¹ Mr. Hall received the League's Robert M. Thompson Award for Outstanding Civilian Leadership.

Already, we owe a debt of gratitude to the Navy and Marines, particularly under their fine leadership of our Secretary of the Navy, Bill Middendorf, for their heroic efforts in evacuating Americans and a number of Cambodians from the besieged city of Phnom Penh without casualties and without a hitch. It was a professionally planned and executed maneuver typical of what we have come to expect from our naval forces.

Historically speaking, it is very appropriate on this occasion to talk about seapower, for if America ever learned the importance of seapower, it was on April 23, 1814—161 years ago today. The War of 1812 was at its height and the British, backed up by their enormous Navy, decided on that date in 1814 to extend a blockade along the entire American coast. The small, weak, ill-equipped American Navy could do little to stop it. The British roamed the east coast almost at will. By August of 1814, we had even suffered the humiliation of an enemy attack on Washington, D.C., and the burning of the White House. We had been helpless to defend our own Capital City.

In the century and a half since 1814, we have been taught even more about the importance of seapower. Perhaps Teddy Roosevelt summed it up best when he said, "A good Navy is not provocative of war. It is the surest guarantee of peace."

Today, even more than in the past, America is dependent on seapower. This includes a strong merchant marine as well as a navy.

For one thing, we need free sealanes and the fast merchant ships to maintain the crucial flow of raw materials and energy to the United States. For instance, in 1974 alone, we imported more than 2 billion barrels of crude oil and refined products, accounting for about 36 percent of our total domestic consumption. Of this total, more than 90 percent was carried into this country in foreign bottoms.

It is my policy to reverse this dependence on foreign oil by making America energy independent. But for now, the facts are quite plain: American prosperity, perhaps even American survival, still depends on keeping the sealanes open, and only a strong American Navy can guarantee that result.

So, the obvious questions, quite frankly, are: What is the state of American seapower today? What will it be in the future?

Since 1968, the size of the Navy has been cut literally in half. Today, our fleet of 500 ships is the smallest since 1939, 2 years before Pearl Harbor. And it, unfortunately, is still shrinking. In fact, the Navy's active fleet will be down to 490 ships by June 30, 1976, 5 days before we celebrate our 200th birthday as a free and independent nation.

Fortunately, however, there is also a positive side to all of this. Today's U.S. Navy has some tremendous assets. Our aircraft carriers and their air groups are very potent weapons systems. These magnificent forces contribute immeasurably to making our overall strike forces the very best in the world.

Our nuclear-powered submarines and nuclear-powered surface ships are the finest in the world. We have more of them than any other power. The United States Marine Corps is unrivaled as a combat force. And the spirit and the morale of the Marines are as high as they have ever been.

In fact, the entire Navy-Marine Corps team has these very important, very vital ingredients: combat-proven strength, dynamic leadership, and dedicated professionalism. And we thank them all for these important assets that they contribute to our national security.

I have full confidence in the new professionals of our Navy and Marine Corps. But the Navy and the Marine Corps today are the results of careful planning of the days in the past. If both are to maintain the same high standards for the days ahead, we must be laying the groundwork right now. And we must take into account some dramatic changes in the global balance of power.

At the outset of World War II, America had a 3,000-mile ocean barrier on the east coast and a 10,000-mile ocean barrier on the west coast. A mighty British Fleet acted as a friendly buffer. And the United States had a 2-year lead time to gear up our great military production capabilities between the outbreak of war in Europe and our own entry at Pearl Harbor.

Today, we face a very different situation. For example, Soviet naval units now freely roam the world seas, circumnavigating the State of Hawaii in the Pacific, and operating in the Gulf of Mexico.

Let me give you a very graphic example, if I might, something that has happened within the past few days. Elements from all four fleets of the Soviet Navy have just completed global maneuvers. More than 200 Soviet ships deployed in all of the oceans of the world participated in this exercise. More than 50 Soviet ships were deployed in the Atlantic, extending their maneuvers to the Norwegian Sea and southwest of the British Isles. Soviet reconnaissance aircraft operating from Cuba and Guinea, conducted ocean surveillance over wide areas of the Atlantic. The Soviet Navy was also active in the Mediterranean, the Pacific, and the Indian Ocean.

There is no doubt about it, the Soviet Union understands the importance of seapower. The Russians built up their Navy while we permitted ours to shrink, and they know how to show their flag.

Unfortunately, the double blows of inflation and recession, along with other drains on Government revenues, are occurring at precisely the time that we should be putting more funds into more ships. As a consequence, Department of Defense expenditures in the next fiscal year will represent slightly less than 6 percent of the gross national product, the lowest point since the pre-Korean demobilization. In real terms, after making all of the adjustments for inflation, Defense Department spending has been cut almost 40 percent since the height of the Vietnam war. It is 15 percent below the pre-Vietnam level.

As a percentage of total government spending, including State and local, defense expenditures come to only 16 percent, the lowest point since before Pearl Harbor.

As for our human resources, today only 1 percent of America's population is under arms. Our military manpower is actually nearly 600,000 below the pre-Vietnam level.

However good their intentions, those who claim that America is overarmed and overspending on defense are wrong. It is my very deep conviction we cannot afford to cut any further without endangering our national security. While our own military spending has been declining, others have not been idle. The Soviet Union, for example, is outspending us on defense by at least 20 percent.

As far as the Navy is concerned, the budget that I have submitted to the Congress for the next fiscal year requests \$3,100 million to build 23 new ships and an additional \$2,300 million to restore full funding to our shipbuilding account of previous years.

I deeply believe that the vast majority of our citizens today want to maintain American sea, land, and air forces that are second to none. Let it never be said that our generation allowed American seapower to erode into a second class status. Let it never be said that we permitted our merchant fleet to disappear by attrition.

Only a strong America, an America strong of will, strong of purpose, can be an effective force for peace in a troubled, modern world, and a strong navy and merchant marine are essential to a strong America.

I pledge to you that I will continue to work with all of you, and literally thousands like you, for the kind of America that has been good, not only for us but for all mankind. And I will ask for your help in pursuing this vital goal as we move ahead in the days and the months before us.

Thank you very, very much.

NOTE: The President spoke at 1:55 p.m. in the Imperial Ballroom at the Fairmont Hotel. In his opening remarks, he referred to Ernest A. Carrere, Jr.,

national president, and Rev. Sam Hill Ray, national chaplain, Navy League of the United States; and Rabbi Julian B. Feibelman of New Orleans.

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Address at a Tulane University Convocation.*April 23, 1975*

Mr. President, President Hurley, Senator Johnston, my good friends from the House of Representatives, Eddie Hébert, Dave Treen, Lindy Boggs, Lieutenant Governor Fitzmorris, students, faculty, alumni, and guests of Tulane University:

It is really a great privilege and a very high honor to have an opportunity of participating again in a student activity at Tulane University. And for this opportunity, I thank you very, very much.

Each time that I have been privileged to visit Tulane, I have come away newly impressed with the intense application of the student body to the great issues of our time, and I am pleased tonight to observe that your interest hasn't changed one bit.

As we came into the building tonight, I passed a student who looked up from his book and said, "A journey of a thousand miles begins but with a single step." To indicate my interest in him, I asked, "Are you trying to figure out how to get your goal in life?" He said, "No, I am trying to figure out how to get to the Super Dome in September." [*Laughter*] Well, I don't think there is any doubt in my mind that all of you will get to the Super Dome. Of course, I hope it is to see the Green Wave [Tulane University] have their very best season on the gridiron. I have sort of a feeling that you wouldn't mind making this another year in which you put the Tigers [Louisiana State University] in your tank.

When I had the privilege of speaking here in 1968 at your "Directions '68" forum, I had no idea that my own career and our entire Nation would move so soon in another direction. And I say again, I am extremely proud to be invited back.

I am impressed, as I undoubtedly said before—but I would reiterate it tonight—by Tulane's unique distinction as the only American university to be converted from State sponsorship to private status. And I am also impressed by the Tulane graduates who serve in the United States Congress: Bennett Johnston, Lindy Boggs, Dave Treen.

Eddie Hébert, when I asked him the question whether he was or not, and he said he got a special degree: Dropout '28. [*Laughter*]

But I think the fact that you have these three outstanding graduates testifies to the academic excellence and the inspiration of this historic university, rooted in the past with its eyes on the future.

Just as Tulane has made a great transition from the past to the future, so has New Orleans, the legendary city that has made such a unique contribution to our great America. New Orleans is more, as I see it, than weathered bricks and cast-iron balconies. It is a state of mind, a meltingpot that represents the very, very best of America's evolution, an example of retention of a very special culture in a progressive environment of modern change.

On January 8, 1815, a monumental American victory was achieved here—the Battle of New Orleans. Louisiana had been a State for less than 3 years, but outnumbered Americans innovated, outnumbered Americans used the tactics of the frontier to defeat a veteran British force trained in the strategy of the Napoleonic wars.

We as a nation had suffered humiliation and a measure of defeat in the War of 1812. Our National Capital in Washington had been captured and burned. So, the illustrious victory in the Battle of New Orleans was a powerful restorative to our national pride.

Yet, the victory at New Orleans actually took place 2 weeks after the signing of the armistice in Europe. Thousands died although a peace had been negotiated. The combatants had not gotten the word. Yet, the epic struggle nevertheless restored America's pride.

Today, America can regain the sense of pride that existed before Vietnam. But it cannot be achieved by refighting a war that is finished as far as America is concerned. As I see it, the time has come to look forward to an agenda for the future, to unify, to bind up the Nation's wounds, and to restore its health and its optimistic self-confidence.

In New Orleans, a great battle was fought after a war was over. In New Orleans tonight, we can begin a great national reconciliation. The first engagement must be with the problems of today, but just as importantly, the problems of the future. That is why I think it is so appropriate that I find myself tonight at a university which addresses itself to preparing young people for the challenge of tomorrow.

I ask that we stop refighting the battles and the recriminations of the past. I ask that we look now at what is right with America, at our possibilities and our potentialities for change and growth and achievement and sharing. I ask that we accept the responsibilities of leadership as a good neighbor to all peoples and the enemy of none. I ask that we strive to become, in the finest American tradition, something more tomorrow than we are today.

Instead of my addressing the image of America, I prefer to consider the reality of America. It is true that we have launched our Bicentennial celebration with-

out having achieved human perfection, but we have attained a very remarkable self-governed society that possesses the flexibility and the dynamism to grow and undertake an entirely new agenda, an agenda for America's third century.

So, I ask you to join me in helping to write that agenda. I am as determined as a President can be to seek national rediscovery of the belief in ourselves that characterized the most creative periods in our Nation's history. The greatest challenge of creativity, as I see it, lies ahead.

We, of course, are saddened indeed by the events in Indochina. But these events, tragic as they are, portend neither the end of the world nor of America's leadership in the world.

Let me put it this way, if I might. Some tend to feel that if we do not succeed in everything everywhere, then we have succeeded in nothing anywhere. I reject categorically such polarized thinking. We can and we should help others to help themselves. But the fate of responsible men and women everywhere, in the final decision, rests in their own hands, not in ours.

America's future depends upon Americans—especially your generation, which is now equipping itself to assume the challenges of the future, to help write the agenda for America.

Earlier today, in this great community, I spoke about the need to maintain our defenses. Tonight, I would like to talk about another kind of strength, the true source of American power that transcends all of the deterrent powers for peace of our Armed Forces. I am speaking here of our belief in ourselves and our belief in our Nation.

Abraham Lincoln asked, in his own words, and I quote, "What constitutes the bulwark of our own liberty and independence?" And he answered, "It is not our frowning battlements or bristling seacoasts, our Army or our Navy. Our defense is in the spirit which prized liberty as the heritage of all men, in all lands everywhere."

It is in this spirit that we must now move beyond the discords of the past decade. It is in this spirit that I ask you to join me in writing an agenda for the future.

I welcome your invitation particularly tonight, because I know it is at Tulane and other centers of thought throughout our great country that much consideration is being given to the kind of future Americans want and, just as importantly, will work for. Each of you are preparing yourselves for the future, and I am deeply interested in your preparations and your opinions and your goals. However, tonight, with your indulgence, let me share with you my own views.

I envision a creative program that goes as far as our courage and our capacities can take us, both at home and abroad. My goal is for a cooperative world at peace, using its resources to build, not to destroy.

As President, I am determined to offer leadership to overcome our current economic problems. My goal is for jobs for all who want to work and economic opportunity for all who want to achieve.

I am determined to seek self-sufficiency in energy as an urgent national priority. My goal is to make America independent of foreign energy sources by 1985.

Of course, I will pursue interdependence with other nations and a reformed international economic system. My goal is for a world in which consuming and producing nations achieve a working balance.

I will address the humanitarian issues of hunger and famine, of health and of healing. My goal is to achieve—or to assure basic needs and an effective system to achieve this result.

I recognize the need for technology that enriches life while preserving our natural environment. My goal is to stimulate productivity, but use technology to redeem, not to destroy our environment.

I will strive for new cooperation rather than conflict in the peaceful exploration of our oceans and our space. My goal is to use resources for peaceful progress rather than war and destruction.

Let America symbolize humanity's struggle to conquer nature and master technology. The time has now come for our Government to facilitate the individual's control over his or her future—and of the future of America.

But the future requires more than Americans congratulating themselves on how much we know and how many products that we can produce. It requires new knowledge to meet new problems. We must not only be motivated to build a better America, we must know how to do it.

If we really want a humane America that will, for instance, contribute to the alleviation of the world's hunger, we must realize that good intentions do not feed people. Some problems, as anyone who served in the Congress knows, are complex. There are no easy answers. Willpower alone does not grow food.

We thought, in a well-intentioned past, that we could export our technology lock, stock, and barrel to developing nations. We did it with the best of intentions. But we are now learning that a strain of rice that grows in one place will not grow in another; that factories that produce at 100 percent in one nation produce less than half as much in a society where temperaments and work habits are somewhat different.

Yet, the world economy has become interdependent. Not only food technology but money management, natural resources and energy, research and development—all kinds of this group require an organized world society that makes the maximum effective use of the world's resources.

I want to tell the world: Let's grow food together, but let's also learn more about nutrition, about weather forecasting, about irrigation, about the many other specialties involved in helping people to help themselves.

We must learn more about people, about the development of communities, architecture, engineering, education, motivation, productivity, public health and medicine, arts and sciences, political, legal, and social organization. All of these specialties and many, many more are required if young people like you are to help this Nation develop an agenda for our future—your future, our country's future.

I challenge, for example, the medical students in this audience to put on their agenda the achievement of a cure for cancer. I challenge the engineers in this audience to devise new techniques for developing cheap, clean, and plentiful energy, and as a byproduct, to control floods. I challenge the law students in this audience to find ways to speed the administration of equal justice and make good citizens out of convicted criminals. I challenge education, those of you as education majors, to do real teaching for real life. I challenge the arts majors in this audience to compose the great American symphony, to write the great American novel, and to enrich and inspire our daily lives.

America's leadership is essential. America's resources are vast. America's opportunities are unprecedented.

As we strive together to prefect a new agenda, I put high on the list of important points the maintenance of alliances and partnerships with other people and other nations. These do provide a basis of shared values, even as we stand up with determination for what we believe. This, of course, requires a continuing commitment to peace and a determination to use our good offices wherever possible to promote better relations between nations of this world.

The new agenda, that which is developed by you and by us, must place a high priority on the need to stop the spread of nuclear weapons and to work for the mutual reduction in strategic arms and control of other weapons. And I must say, parenthetically, the successful negotiations at Vladivostok, in my opinion, are just a beginning.

Your generation of Americans is uniquely endowed by history to give new meaning to the pride and spirit of America. The magnetism of an American society, confident of its own strength, will attract the good will and the esteem

of all people wherever they might be in this globe in which we live. It will enhance our own perception of ourselves and our pride in being an American. We can, we *can*—and I say it with emphasis—write a new agenda for our future.

I am glad that Tulane University and other great American educational institutions are reaching out to others in programs to work with developing nations, and I look forward with confidence to your participation in every aspect of America's future.

And I urge Americans of all ages to unite in this Bicentennial year, to take responsibility for themselves as our ancestors did. Let us resolve tonight to rediscover the old virtues of confidence and self-reliance and capability that characterized our forefathers two centuries ago. I pledge, as I know you do, each one of us, to do our part.

Let the beacon light of the past shine forth from historic New Orleans and from Tulane University and from every other corner of this land to illuminate a boundless future for all Americans and a peace for all mankind.

Thank you very much.

NOTE: The President spoke at 8:07 p.m. at the Tulane University Fieldhouse. In his opening remarks, he referred to Herbert E. Longenecker, presi-

dent of Tulane University, and Grady Hurley, student body president.

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Message to the Congress Transmitting Annual Manpower Report of the President. April 24, 1975

To the Congress of the United States:

I am sending to Congress the 13th annual *Manpower Report of the President*.

This report, as required by section 705(a) of The Comprehensive Employment and Training Act of 1973, as amended, reviews many of the recent economic developments impacting on employment and unemployment levels. Policies addressed to the loss of income by many workers were the keystone to my proposals of October, 1974. The Administration and the Congress agreed on several components of such a policy which are now in operation.

For example, the Emergency Unemployment Compensation Act has made supplementary unemployment compensation available to experienced workers who have exhausted unemployment insurance benefits. The Emergency Jobs and Unemployment Assistance Act has made special unemployment assistance available to many workers not covered by the unemployment insurance system. In

addition, over 300,000 public service jobs are being funded under the Comprehensive Employment and Training Act, as amended.

The passage of the Comprehensive Employment and Training Act in December, 1973, was a landmark development in the decentralization of manpower program design and operation responsibilities to State and local government units. This report reviews implementation activities by the Departments of Labor and Health, Education, and Welfare in 1974. It also reviews some preliminary findings about the operation of this important work.

The report also analyzes the rapidly changing employment situation of women workers, exploring the significant economic role of women in recent years in an expanding number of occupations. The proclamation of 1975 as International Women's Year makes this a particularly appropriate time to encourage members of the legislative and executive branches of Government as well as the general public to study the role of women in the labor force.

Among other important questions explored in this year's *Manpower Report* is the relative efficiency of public service employment programs as a means of countering cycles of high unemployment. While there is some evidence that programs providing public sector jobs can relieve individual hardships and offer some short-term relief to areas experiencing substantial unemployment, it is considerably less certain that such programs can exert significant positive impact on national unemployment levels.

On the other hand, the size, skills, and employment levels of the Nation's work force are affected by changes in programs, policies, and procurement at all levels of government. This year's *Manpower Report*, therefore, includes an interim review of some recent research findings on the development of methods to determine the manpower impact of Government program and policy changes both at the national level and in areas where local firms have received important procurement contracts.

GERALD R. FORD

The White House,
April 24, 1975.

NOTE: The report is entitled "Manpower Report of the President—Including Reports by the U.S. Department of Labor and the U.S. Department of

Health, Education, and Welfare, Transmitted to the Congress April 1975" (Government Printing Office, 349 pp.).

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Letter to the Speaker of the House and the President of the Senate on United States Trade With Romania. April 24, 1975

IN ACCORDANCE with Section 407 of the Trade Act of 1974, I am transmitting herewith a copy of a Proclamation [4369] extending nondiscriminatory treatment to the products of the Socialist Republic of Romania. I am also enclosing the text of the Agreement on Trade Relations between the United States of America and the Socialist Republic of Romania, which was signed on April 2, 1975, and which is included as an Annex to the Proclamation.

I am enclosing herewith a copy of the report which was transmitted to the Congress this date as required by Section 402(c)(1) of the Trade Act of 1974, and I shall issue today an Executive Order [11854] waiving the application of subsections (a) and (b) of Section 402.

This agreement caps a decade of improvements in all areas of US-Romanian relations. It will place our trade with Romania on a nondiscriminatory basis that will promote continued development of mutually beneficial economic ties. It will thereby bring the structure of our economic relations into accord with the very satisfactory state of our political relations.

This agreement is consistent with the letter and the spirit of the Trade Act of 1974. In addition to providing for mutual extension of most-favored-nation tariff treatment, it meets the requirements of Title IV that are designed to ensure overall reciprocity of economic benefits. Its special safeguard arrangements provide the strongest possible assurance that our trade with Romania will continue to grow without injury to domestic firms or loss of jobs for American workers. American businessmen are assured of basic rights and facilities in establishing operations in Romania and doing business with Romanian enterprises. Other provisions include protection for industrial property rights, industrial processes, and copyrights; and encouragement of third-country arbitration of commercial disputes under the rules of the International Chamber of Commerce.

I urge that Congress act as soon as possible to approve the agreement under the provisions of Section 407.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House

of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

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**Message to the Congress Reporting on United States
Trade With Romania. April 24, 1975**

To the Congress of the United States:

Pursuant to Section 402(c)(1) of the Trade Act of 1974, I shall issue today an Executive Order [11854] waiving the application of subsections (a) and (b) of Section 402 of the Trade Act of 1974 with respect to the Socialist Republic of Romania, and I am hereby making the report contemplated by Section 402(c)(1) of the Act.

I refer to the Declaration of the Presidents of the United States and of the Socialist Republic of Romania signed in Washington in 1973¹ wherein it was stated that "they will contribute to the solution of humanitarian problems on the basis of mutual confidence and good will." I have been assured that if and when such problems arise they will be solved, on a reciprocal basis, in the spirit of that Declaration. Accordingly, I am convinced that the emigration practices of Romania will lead substantially to the achievement of the objectives of Section 402 of the Act. I have therefore determined that the waiver contained in said Executive Order will substantially promote the objectives of Section 402 of the Act.

GERALD R. FORD

The White House,
April 24, 1975.

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**Remarks to Participants in the Annual Conference of
the Advertising Council. April 24, 1975**

Chairman McCabe, President Keim, members of the Cabinet, members of the Advertising Council:

At the outset, let me, on behalf of Betty as well as myself, extend to all of you a very warm welcome here to the East Room. I know from past experience, when I was up on Capitol Hill, that when the Advertising Council came to Washington, you had an impact, an impact on me and all the other Members of the Congress with whom you would meet.

¹ See Item 350, Public Papers of the Presidents—Richard Nixon, 1973.

I know there are some people here from Michigan. I don't recognize them without my glasses on—[*laughter*]*—*but I do think that your coming down here on an annual basis is a very important function, and I look forward to seeing you, as Mrs. Ford does, in the State Dining Room when we get through.

I do hope that you have had a productive and enjoyable time as a part of your 31st annual conference in the Nation's Capital, and I would like to take this opportunity, as other Presidents have done, to express my very deep gratitude and appreciation for what the Advertising Council has done over the years in the service of our country.

All of you know how much has been contributed by the Advertising Council in one project or many projects over the years, both in times of economic prosperity, economic adversity, and in other crises involving our Nation's best.

Just to cite a couple that I am familiar with: the Savings Bond drive, the forest fire prevention effort, the drug abuse information program, the ACTION volunteer service program—these are the best illustrations, I think, of what you have done and the contributions that you have made. But by no means are they the limit of what the Advertising Council has done in the best interests of our country.

As I said in my State of the Union Message in January, it is an urgent need for the country to mobilize, and I quote here, “the most powerful and creative industrial nation that ever existed on this Earth” if we are to meet the problems that are bothering us as people and as a country. We had, at that time—and we have today—the problem of inflation, the problem of unemployment. We have a distressed economy. But we are beginning to see some sun coming through some of the dark clouds, and the contributions that the Advertising Council has made are helpful in convincing the American people that we are a great country, that we can meet adversity, that we will be successful.

So, I hope that despite the difficulties we face, the difficulties at home, that through a positive program, which the Advertising Council is so skillful in projecting, that the American people will regain the confidence that is needed, the confidence that is essential.

I know some of the news media—and I am not being critical—but we do see in the newspapers, we do see on television, we do hear on radio some bad news. But I think there is a need also for us as leaders in this country, those in government and those in the private sector, to talk about the good things. There are many, many good things for us to project. This kind of an affirmative effort will be very helpful in restoring the confidence that is essential as we move ahead.

I can only say that we in government are deeply grateful and very appreciative of what has been done, and I thank you for what I understand you are planning.

I don't want to get into any other subjects—I made three speeches in New Orleans yesterday and got back about 1 a.m. But I do want you to know that we are going to move forward, we are taking a fresh start, and we are going to be successful both at home and abroad. With your help and the confidence of the American people, we can look forward to brighter days and better days.

As I said at the outset, Betty and I would be delighted to have you join us in the State Dining Room for some refreshments, and it would be my hope that both of us would have an opportunity to meet most of you.

Thank you very much.

NOTE: The President spoke at 5:21 p.m. in the East Room at the White House. In his opening remarks, he referred to Gibson McCabe, chairman of the

board, and Robert P. Keim, president, Advertising Council, Inc.

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Remarks at the Unveiling of the President's Portrait at the National Republican Club of Capitol Hill.

April 24, 1975

Thank you, Mr. President. Members of the House and Senate, my dear friends and those of Betty, members of the Capitol Hill Club, and guests:

It is a great privilege and pleasure for us to be here. And may I say to the portrait painter, the artist, that I am very flattered. I think it is excellent. Obviously, I like the pose. You know, as a fiscal conservative, I always enjoy seeing a politician with his hand in his own pocket. [*Laughter*] But I do thank you, Mr. Johnson, and I am very grateful.

Obviously, Harold, I am very, very pleased to see that the Capitol Hill Club will have this portrait in a prominent place in a club that means a great deal to me. I can recall when the Capitol Hill Club was in a very small, old building where the new Library of Congress is now being constructed. I can recall very vividly when it was over in the hotel for a good many years and was a wonderful place where all of us could get together, have a good time, do things as fellow Republicans.

I was also part of the group that helped to put this building and the one next door together. And I recall with a great deal of satisfaction when we had a groundbreaking and then when we had the dedication. I have come to this building as well as the one next door on many, many occasions.

I think this complex is one of the finest things we have, as Republicans, in the Nation's Capital. It means a great deal to each and every one of us individually, to the party. I think it is a good symbol of Republican togetherness. I am delighted, of course, to see so many people here tonight. I just hope and trust that we can have many, many more occasions like this in the Capitol Hill Club.

I think it is important for us to get together. I think it is vitally essential that Republicans assemble in their own organization, their own club, and I appreciate the fine leadership that Harold is giving, along with others, to make certain that the Capitol Hill Club can be a meeting place for all of us.

So, I thank you from the bottom of my heart, Harold, and all of you who have contributed. I thank you on behalf of Betty, and I wish you all the very, very best.

I can say for her, as well as for myself, it is wonderful to see all of you tonight and to have the expression of friendship and support which is important to me and to us in these very difficult times.

Thank you very much.

NOTE: The President spoke at 7:03 p.m. at the club. In his remarks, he referred to Donald E. Johnson, the artist who painted the portrait, and Harold

R. Collier, Representative from Illinois 1957-75 and president of the club.

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Special Message to the Congress Proposing Extension and Revision of the General Revenue Sharing Program. *April 25, 1975*

To the Congress of the United States:

I am today transmitting to the Congress proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972. The act, and the General Revenue Sharing program which it authorizes, expires on December 31, 1976. I strongly recommend that the Congress act to continue this highly successful and important new element of American Federalism well in advance of the expiration date, in order that State and local governments can make sound fiscal plans.

THE VALUE OF FEDERALISM

The genius of American government is the Federal system of shared sovereignty. This system permits and promotes creativity and freedom of action

simultaneously at three levels of government. Federalism enables our people to approach their problems through the governments closest to them, rather than looking to an all-powerful central bureaucracy for every answer.

With the Federal Government heavily committed to international affairs, the Nation's defense, the state of the economy and the energy problem, we need strong, effective State and local governments to meet the everyday needs of our people—for good police and fire protection, education, transportation, sanitation, and the basic services of a well-governed society.

In 1972, when General Revenue Sharing was passed, the Federal partnership was in trouble. The Federal Government, with its highly efficient taxing system, then collected some two-thirds of the Nation's total tax revenues. Federal revenues, particularly because of the income tax, grew with the economy. However, State and local revenues are more dependent on real property taxes and sales taxes. These governments had to meet rising demands for services and costs through endless rounds of tax increases. Simply stated, revenues had grown fastest at the Federal level, while needs were growing fastest at the State and local levels.

The Federal Government, then as now, sought to help States and communities meet their needs through Federal aid. For the most part, this aid is in the form of categorical grants—that is, narrowly defined, closely controlled grants for specific purposes. Today, over one thousand of these categorical grants are available for almost every imaginable objective.

However, the necessity to go to Washington for the solution to many local problems has had a stifling effect on the creativity and accountability of State and local governments. Along with Federal aid comes Federal restrictions which limit local initiative and flexibility.

Furthermore, until the concept of block grants was developed, States and localities were limited to categorical grants which were designed to lead State and local governments in new directions. Consequently, the recipients, all too often, headed in the direction where the grant monies were available, rather than where their genuine needs existed.

Finally, much of the aid the Federal Government makes available has to be matched by State and local funds. The impact of this requirement is often to aggravate rather than to alleviate a State or local government's financial plight.

This was the situation the executive branch and the Congress faced in 1972—a Federal system endangered by the growing impoverishment of two out of the system's three partners. This is the situation that the Federal Government wisely met, by the passage of General Revenue Sharing.

This program has been a resounding success. Since its enactment, General Revenue Sharing has provided nearly \$19 billion to 50 States and some 39,000 local governments—money which these governments could use as they saw fit to meet their priority needs.

These Federal revenue sharing dollars have meant new crime fighting equipment and more police on the street, help for essential mass transportation, a better environment, improved fire protection and many other useful public activities. If some communities have not used their revenue sharing funds wisely, they are a miniscule fraction of governments which have used this money well.

The current revenue sharing act has also enabled individuals and citizen groups to play their part in determining the use of these Federal funds in their communities by placing the decision on the use of these funds at the local rather than the Federal level. This citizen participation strengthens our democracy in the best possible way. It is my intention to strengthen our efforts to encourage the widest possible citizen participation.

THE NEED GOES ON

General Revenue Sharing has also been the keystone of additional efforts to reform Federal aid. The new block grant programs, more decentralized grant management, joint funding projects and grant integration, improved program information and executive reorganization have all been included in a large-scale effort to make better sense of and to get greater results from the billions granted to State and local governments.

The General Revenue Sharing program enacted in 1972 turned a corner. It caught a serious problem in time and helped us get back on the road to a sounder Federalism, of shared rights and responsibilities.

Many State and local governments are facing deficits with the prospect of having to raise additional taxes or cut services. Our States and localities are facing these adverse developments at a time when their fiscal responsibilities have mounted due to the impact of inflation on their expenditures and the tax burdens placed on citizens. Further, the present high unemployment is taking its toll in terms of lower tax receipts and higher costs on States and communities. This combination of financial pressures is likely to continue to bear down on these governments for the foreseeable future.

Many units of governments, particularly in distressed urban areas, count on these funds for their budget planning. If the flow of shared revenues were to be turned off or scaled down, the results would be immediate and painful. Our

efforts to revive the economy would suffer a serious blow. States, cities, counties and small communities would have to either cut back essential services causing increased public and related private unemployment or tax more or borrow more—thus defeating the objectives of our national efforts to reduce the total tax load and revive the economy.

Enactment of Federal revenue sharing was a wise decision in 1972. Its continuation is imperative now. Before deciding to recommend extension of this program, I directed that an exhaustive study be made of the present program to identify its strengths and weaknesses. This assessment has been carried out and has taken into account the views of the Congress, State and local government officials, interested citizen bodies and private study groups analyzing government policy. I will also consider any significant findings which may yet emerge from studies presently underway.

Based on our review of this work, I am now proposing to the Congress legislation which will maintain the basic features of the existing revenue sharing program while offering several improvements.

The principal elements of the renewal legislation I am proposing are:

—The basic revenue sharing formula is retained. Experience to date suggests the essential fairness of the present formula and I recommend its retention.

—Funds will be authorized for five and three-quarters years. The effect of this provision is to conform the time period to the new Federal fiscal year.

—The current method of funding with annual increases of \$150 million will be retained to compensate, in part, for the impact of inflation. Over the five and three-quarters years, this level will produce a total distribution of Federal revenues of \$39.85 billion. By the final year, the revenues shared will have increased by \$937 million over the current level of payments.

—Recognizing the need to raise the existing per capita constraint on the basic formula, my proposal would permit those hard-pressed jurisdictions now constrained by the per capita limitation to receive more money. The impact of this change on other communities would be minimized by phasing the change in five steps and by the increase of \$150 million annually.

—To strengthen the civil rights provisions of the existing statute the proposed legislation would authorize the Secretary of the Treasury to invoke several remedies to enforce the nondiscrimination provisions of the act. This would be accomplished by stating explicitly that the Secretary has authority to withhold all or a portion of entitlement funds due a State or unit of local government, to terminate one or more payments of entitlement funds, and to require repayment of entitlement funds previously expended in a program or activity found to have

been discriminatory. This change will further enhance the Secretary's ability to ensure that none of our citizens is denied on grounds of race, color, sex or national origin the benefits of any program funded in whole or in part through revenue sharing.

—To strengthen public participation in determining the use of shared revenues, the proposed legislation requires that recipient governments must provide a procedure for citizen participation in the allocation of revenue sharing monies.

—The Administration proposal would also make reporting requirements more flexible to meet varying needs from community to community. The legislation would grant the Secretary of the Treasury greater latitude in determining the form of reports and the kind of information required of recipients. Similarly, he would have more flexibility to determine the method by which recipient governments must publicize their use of funds.

—Finally, the proposal requires a reconsideration of the program two years before its expiration.

EARLY RENEWAL IS IMPORTANT

I urge the Congress at its earliest convenience to begin deliberations on the renewal of the State and Local Fiscal Assistance Act of 1972. Effective planning at the State capitols, city halls, and county courthouses will require action in this first session of the 94th Congress. In fact, in the fall of 1975 many of our States and local governments will be preparing their fiscal year 1977 budgets. It will be essential for them to know at that time whether General Revenue Sharing funds will be available to them after December, 1976.

The expiration of the present General Revenue Sharing Law is coincident with the year in which the Nation celebrates its bicentennial. There could be no more practical reaffirmation of the Federal compact which launched this Country than to renew the program which has done so much to preserve and strengthen that compact—General Revenue Sharing.

GERALD R. FORD

The White House,
April 25, 1975.

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Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation To Extend and Revise the General Revenue Sharing Program.

April 25, 1975

ENCLOSED is a draft of a bill, "To extend and revise the State and Local Fiscal Assistance Act of 1972."

The State and Local Fiscal Assistance Act of 1972 has provided vitally needed funding to States and over 38,000 local governments. While there appears to be no need for substantial changes, some amendments to the Act are considered desirable based upon our experience in administering the general revenue sharing program for the past two- and one-half years.

The draft bill would make such amendments. In addition to extending the Act through the fiscal year beginning October 1, 1981, the amendments clarify certain provisions of the Act, require that residents within the recipient government's jurisdiction be provided an opportunity to give their views on how revenue sharing funds should be spent, and facilitate the administration of the Act from a management point of view. The inflationary impact of this draft bill has been carefully considered.

There is also enclosed a section-by-section analysis of the draft bill and a comparative type showing the changes that would be made in the existing Act.

I urge you to bring this proposed legislation to the attention of the House of Representatives/Senate at your earliest convenience. An identical draft bill has been transmitted to the Speaker of the House of Representatives/President of the Senate.

Sincerely,

GERALD R. FORD

NOTE: The letters were addressed to the Honorable Carl Albert, Speaker of the House of Representa-

tives, and the Honorable Nelson A. Rockefeller, President of the Senate.

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Remarks at a Special Leadership Conference of the National Conference of State Legislatures. April 25, 1975

LET ME thank each and every one of you distinguished legislators. It's a privilege and a pleasure to have the opportunity of saying a few words, looking around and seeing some familiar faces.

It's been a great experience for me over the last year or more to speak to joint sessions of four State legislative bodies—Louisiana, Kansas, New Hampshire, and of course, my own State of Michigan. I've been very grateful for the warm welcome and the opportunity, and I thank you very much. And I look forward to an opportunity in other States in the months ahead.

Obviously, I want to welcome all of you to the East Room here and to just kick off, I guess, the meetings that we will have here with members of my staff following my observations and comments. I know it will be informative, and I trust it will be very productive.

Let me say without any hesitation or qualification that I know and certainly sympathize with the enormous problems that all of you are wrestling with in trying to revitalize State government, especially in the legislative branch. As a former legislative leader myself for a little over 25 years in the Congress, I have some scars to prove it.

Actually, as I look back, those were wonderful years, despite the occasional frustrations and the sure knowledge that no matter how long and how hard you work, there would always be more problems than there were solutions.

I'm sure you've found this similarity at the State level. The legislative problems, whether they are at the Federal or State level, in my judgment, are very nearly identical. And I'm sure that you would also agree that despite the frustrations, the opportunity to do the job or to try and accomplish the results were worth it in every way possible.

There is nothing more satisfying than the knowledge that, even in a small way, you may have made life a bit better for the people you were elected to serve. I don't have to tell you that. You've gone through it on a day-to-day basis, and obviously, you wouldn't be here if you didn't feel exactly the same way now and in the future.

The purpose of this meeting today is to let you know some of the things we're trying to do at the Federal level to help make your State government as vital and as responsive as possible. I hope it will also serve to keep up the very close,

personal relationship that I've tried to develop with State legislative leaders since I've been President.

As I said at the outset, I've had the honor and the privilege of meeting with joint groups in four State legislative bodies, and I've had the privilege of meeting with many State legislative leaders in other States throughout the Union. And I assure you that on a personal basis I will continue it, and members of my staff, my Administration will expand it.

Now, some of you were here with me last year when I had the opportunity to make some observations and comments. As a matter of fact, it was one of my very first meetings as President of the United States—just 20 days after moving into the White House. Since then, I've sought to keep our dialog alive. I've met with, as I've indicated, individual members of legislative bodies as well as groups in joint sessions. And I can assure you, those opportunities will be expanded as we move ahead.

Let me say that I'm more interested in substance than in dialog. In my judgment, actions are more important than words. For too long a time, power, expertise, initiative, and most important of all, revenues have been drained away from your State capitals to the National Capital in Washington. With this in mind, I have an announcement I would like to make at this time.

Immediately before meeting with you today, I signed the transmittal letter for a message to Congress and a draft bill to extend and revise general revenue sharing.

In brief, this proposed legislation will do the following: retain the present revenue sharing formula; secondly, authorize funds for $5\frac{3}{4}$ years; three, increase some cities' shares by easing per capita restraints; four, improve the protection of individual rights; five, increase citizen participation. And it would also include the following: permit a more flexible system of reports—and from what I've heard, this is something that is badly needed—and lastly, require renewal consideration 2 years prior to expiration.

Now, I'm convinced that this legislation is in the best interests not only of State governments but of the American people. It takes a good concept, revenue sharing, and extends it, at the same time including some very important improvements and refinements. And it provides the taxpayer with a very strong voice on how his tax money is spent on a local basis.

In proposing the legislation, I'm trying to do my part for State and local government and, I think, in a very constructive way. And I hope I can count on all of you—on State legislative leaders, on Governors, mayors, county officials—

to do your part to get behind the program and to have your voices heard in the Congress of the United States.

And if I might add a postscript in this area: As long ago as 12 months before this date, I was warning mayors, county officials, State officials that there would be an effort made—I don't challenge their motives—but there would be an effort made to not extend general revenue sharing, or if it was extended, to so restrict it and so tie it down, so limit it that the whole character of the program would be changed.

Now we have, in my judgment, a hard battle ahead of us. But if you join with me and we get the mayors and the county officials to join with us, we can extend this program along the lines that I'm recommending. It's not going to be easy. You will have some people who will want to change its character, reduce its money, put all kinds of limitations and strings on it. We cannot afford to have that happen.

This program has justified itself. We had a hard time getting it in the first instance, and we will probably have a difficult time in the months ahead for its extension. But on its merit, it can be justified. And I'm confident that the American people will support your efforts and mine as we join with others.

I think I understand the importance of State government and some of the problems you face. And I can assure you that I and my Administration will do everything we can to be helpful. It's a mutual responsibility we have to our respective constituents, and if we work together, we can get the job done.

Thank you very, very much.

NOTE: The President spoke at 2:08 p.m. in the East Room at the White House.

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Address at the Yale University Law School Sesquicentennial Convocation Dinner. April 25, 1975

Thank you very much, President Brewster, Dean Goldstein, Governor Grasso, Justices Stewart and White, the Secretary of HUD, Carla Hills, the Members of the House of Representatives with whom I served, and others who are now Members but with whom I did not have that privilege and pleasure, good mayor, fellow alumni, students, and guests of Yale Law School:

Obviously, it's a very great privilege and pleasure to be here at the Yale Law School Sesquicentennial Convocation. And I defy anyone to say that and chew gum at the same time. [Laughter]

Every time I come back to Yale, I find myself almost overwhelmed by nostalgia. It's been so long, and so much has happened since I first got off the train at the New Haven station in 1935.

For the first several years, I was an assistant football coach. But during that period, I decided against a career in athletics and set my goal as a degree in law.

At that time, one of the entrance requirements to the Yale Law School was a personal interview with three distinguished members of the faculty. In my case, one of them was Professor Myres McDougal, whom I'm delighted to see is with us tonight. It was wonderful to chat with you, Myres, before dinner.

You might be interested to know that Professor McDougal, in remarks given to the Yale Law School Association in Washington last year, mentioned the fact that he still had his notes from that interview. He said that under the appropriate headings there were entries like the following: good looking, well dressed, plenty of poise, personality—excellent. Then, under another heading: informational background—not too good. [*Laughter*]

Well, Professor McDougal doesn't know—or what he doesn't know is that while he was keeping notes on me, I was keeping notes on him. And by coincidence, I just happen to have them with me here tonight. Under the appropriate headings, I find entries like these: good looking, well dressed, plenty of poise, personality—excellent. Then, under another heading: informational background about football—not so good. [*Laughter*] As I remember it, the only benchwarmer Professor McDougal took an interest in at that time was Oliver Wendell Holmes. [*Laughter*]

I won't go into any more details about that interview. Suffice it to say that Professor McDougal was extraordinarily impressed with my capabilities and so caught up with my capabilities and my vision of my potentialities that in a whirlwind of enthusiasm, he wrote, "I see no reason why we should not take him." [*Laughter*]

My biggest problem at that time was convincing the school I could continue as a full-time assistant football coach and still carry on a full schedule in the law school. Fortunately, I was able to convince them, and I've always been very grateful for the help, the encouragement I consistently received from such great educators as Gene Rostow, Thurman Arnold, Jimmy James, Harry Shulman, and in particular, Myres McDougal. And I thank you very much.

Myres, all I can say is may your retirement provide you with the same riches of fulfillment and satisfaction your career has already brought to the students of Yale. May God go with you.

Obviously, a lot has happened since I left Yale Law School in 1941. I practiced law. I joined the Navy. I was elected to Congress, became minority leader, Vice President, and now President. But no matter how far I have traveled, something from Yale has always followed with me—and I'm not just referring to those letters from the Alumni Fund—[*laughter*—]but something very special, something that adds to character, something that clings to our character, and in time, something that becomes our character.

It's rather hard to put feelings into words, but the motto of our school is, "For God, for Country, and for Yale," and I think that says it all.

The 150th anniversary of this great law school, one of the outstanding institutions of the world for the study of law, suggests better than I the subject for my remarks this evening. On May 1, we celebrate Law Day. Most of you in this audience have devoted your academic years and a good part of your lives to the development and to the promulgation of the law.

Today, as President, I sense and I think the American people sense that we are facing a basic and a very serious problem of disregard for the law.

I would like to talk with you tonight about law and the spirit of abiding by the law. I ask you to think along with me about the concern of so many Americans about the problem of crime. And let us start with the great Preamble of our Constitution which seeks to insure domestic tranquillity. Have we achieved on our streets and in our homes that sense of domestic tranquillity so essential to the pursuit of happiness?

With the launching of our Bicentennial year, it has been argued that the American Revolution was the most successful in history because the principles of the Revolution—liberty and equality under the law—became the functioning constitutional principles of our great Government.

The Founding Fathers governed well and governed prudently, with restraint and respect for justice and law. There was no reign of terror, no repression, no dictatorship. The institutions they have founded became durable and effective. Because of all of this, we tend to think of them now as respectable and conservative. But the fact is that ours remains the great revolution of modern history, and we should be proud of it.

A leading feature of the American Revolution was its devotion to justice under law. Once one gets past those two glorious opening paragraphs, the Declaration of Independence reads very much like a legal brief.

The argument was made that sound government and just laws had to be restored to the land. The theme was that independence was needed to restore a representative government of laws in order to secure liberty.

Our revolutionary leaders heeded John Locke's teaching: "Where there is no law, there is no freedom." Law makes human society possible. It pledges safety to every member so that the company of fellow human beings can be a blessing instead of a threat. Where law exists and is respected and is fairly enforced, trust replaces fear.

Do we provide that domestic tranquillity which the Constitution seeks? If we take the crime rates as an indication, the answer has to be no.

The number of violent crimes rises steadily, and we have recently suffered the national disgrace of lawbreaking in high places. Violent crimes on our streets and in our homes make fear pervasive. They strike at the very roots of community life; they sever the bonds that link us as fellow citizens; they make citizens fear each other.

Crime in high places, whether in the Federal Government, State government, local governments, or in business, or in organized labor, sets an example that makes it all the more difficult to foster a law-abiding spirit among ordinary citizens.

And when we talk about obeying the law, we think of police and courts and prisons and the whole apparatus of the law enforcement process. But the truth is that most of us obey the law because we believe that compliance is the right thing to do and not because the police may be watching.

As far as law violations in high places are concerned, let me stress this point: In the present Administration, I have made it a matter of the highest priority to restore to the executive branch, decency, honesty, and adherence to the law at all levels. This has been done, and it will be continued.

I urge the same effort and the same dedication in State governments, where recently there have been too many scandals. I urge the same standards in local governments, also in industry and in labor. There is no way to inculcate in society the spirit of law if society's leaders are not scrupulously law-abiding.

We have seen how lawbreaking by officials can be stopped by the proper functioning of our basic institutions—executive, legislative, and judicial branches. But America has been far from successful in dealing with the sort of crime that obsesses America day and night. I mean street crime, crime that invades our neighborhoods and our homes—murders, robberies, rapes, muggings, holdups, break-ins—the kind of brutal violence that makes us fearful of strangers and afraid to go out at night.

In thinking about this problem, I do not seek vindictive punishment of the criminal, but protection of the innocent victim. The victims are my primary con-

cern. That is why I do not talk about law and order, and why I return to the constitutional phrase—insuring domestic tranquillity.

The overwhelming majority of Americans obey the law willingly and without coercion, but even the most law-abiding among us are still human. And so it makes ordinary common sense that we promulgate rules and that there be enforcement of the rules to buttress the normal inclination of most people to obey the rules. As James Madison asked in “*The Federalist*,” and I quote, “But what is government itself but the greatest of all reflections on human nature? If men were angels,” said Madison, “no government would be necessary.”

Since men and women are not angels, we must have the apparatus of law enforcement. Those who prey on others, especially by violence, are very, very few in number. A very small percentage of the whole population accounts for a very large proportion of the vicious crimes committed. For example, in one study of nearly 10,000 males born in 1945, it was found that only 6 percent of them accounted for two-thirds of all of the violent crimes committed by the entire group.

Most serious crimes are committed by repeaters. These relatively few, persistent criminals who cause so much misery and fear are really the core of the problem. The rest of the American people have a right to protection from their violence.

Most of the victims of violent crime are the poor, the old, the young, the disadvantaged minorities, the people who live in the most crowded parts of our cities, the most defenseless. These victims have a valid claim on the rest of society for the protection and the personal safety that they cannot provide for themselves—in short, for domestic tranquillity.

Hardly a day passes when some politician does not call for a massive crack-down on crime, but the problem is infinitely more complex than that. Such an approach has not proven effective in the long haul; it is not the American style. We need a precise and effective solution.

One problem is that our busiest courts are overloaded. They’re so overloaded that very few cases are actually tried. One study showed that in a county in Wisconsin, only 6 percent of the convictions resulted from cases which came to trial. According to another study, over a 3-year period in Manhattan, only about 3 percent of the persons indicted were convicted after trial.

I think this audience knows the explanation. It is plea bargaining—in many cases, plea bargaining required by the ever-growing pressure of an increased caseload. The popular notion that trial follows arrest is a misconception in a vast majority of cases, and this audience will also be quick to guess one of the basic reasons.

The increase in arrests has been much more rapid than the increase in the number of judges, prosecutors, and public defenders. The most obvious response to this imbalance has been to accept pleas of guilt in return for short prison terms or sentences, or no sentences at all.

According to a recent authoritative report, half of the persons convicted of felonies in New York received no detention whatsoever. And of the other half, only one-fifth were sentenced to more than 1 year of imprisonment. Imprisonment, thus, too seldom follows conviction for a felony.

In the sixties, crime rates went higher and higher, but the number of persons in prisons, State and Federal, actually went down. A Rand Corporation report of one major jurisdiction showed that of all convicted robbers with a major, prior record, only 27 percent were sent to prison after conviction.

Notice, please, that I'm speaking only of convicted felons. I am not chastising our system for determining guilt or innocence. I am urging that virtually all of those convicted of a violent crime should be sent to prison. And this should be done especially if a gun was involved or there was other substantial danger or injury to a person or persons. There certainly should be imprisonment if the convicted person has a prior record of convictions.

Most serious offenders are repeaters. We owe it to their victims—past, present, and future—to get them off the streets. This is just everyday common sense, as I see it. The crime rate will go down if persons who habitually commit most of the predatory crimes are kept in prison for a reasonable period, if convicted, because they will then not be free to commit more crimes.

Convicts should be treated humanely in prison. Loss of liberty should be the chief punishment. Improvement in the treatment of and facilities for prisoners is long overdue. But it is essential that there be less delay in bringing arrested persons to trial, less plea bargaining, and more courtroom determination of guilt or innocence, and that all—or practically all—of those actually convicted of predatory crime be sent to prison.

In many other areas, it is the responsibility of the Federal Government to augment the enforcement efforts of the States when it becomes necessary.

What else can we do? The Federal Code can be modified to make more sentences mandatory and, therefore, punishment more certain for those convicted of violent crimes.

What can the White House do about this? The Federal role is limited, because most violent crimes are matters for State and local authorities. Further, the creation of criminal sanctions and their interpretation are the concerns of the legislative and judicial branches as well as the executive branch.

The principal role of the Federal Government in the area of crime control has centered in providing financial and technical assistance to the several States. However, while we are all aware that the actual control of crime in this country is a matter primarily of State responsibility under the Constitution, there are several areas in which it is the chief responsibility of the Federal Government.

We can provide leadership in making funds available to add judges, prosecutors, and public defenders to the Federal system. This Federal model should encourage States to adopt similar priorities for the use of their own funds and those provided by the Law Enforcement Assistance Administration.

We can encourage better use of existing prison facilities to minimize detention of persons convicted of minor crimes, thus making more room for the convicted felons to be imprisoned. There are a number of estimates of how much the crime rate would be reduced if all convicted criminals with major records were sent to prison instead of being set free after conviction, as too many are today.

Although we might expect the certainty of a prison sentence to serve as a deterrent, let us remember that one obvious effect of prison is to separate law-breakers from the law-abiding society. In totalitarian states it's easier to assure law and order. Dictators eliminate freedom of movement, of speech, and of choice. They control the news media and the educational system. They conscript the entire society and deprive people of basic civil liberties. By such methods, crime can be strictly controlled. But in effect, the entire society becomes one huge prison. This is not a choice we are willing to consider.

Edmund Burke commented appropriately in his "Reflections on the French Revolution." Burke said, and I quote: "To make a government requires no great prudence. Settle the seat of power, teach obedience, and the work is done. To give freedom is still more easy. It is not necessary to guide; it only requires to let go the rein. But to form a free government, that is, to temper together these opposite elements of liberty and restraint in one consistent work, requires much thought, deep reflection, a sagacious, powerful, and combining mind."

Since these words were written, the world has changed profoundly. But the old question still remains: Can a free people restrain crime without sacrificing fundamental liberties and a heritage of compassion?

I am confident of the American answer. Let it become a vital element on America's new agenda. Let us show that we can temper together those opposite elements of liberty and restraint into one consistent whole.

Let us set an example for the world of a law-abiding America glorying in

its freedom as well as its respect for law. Let us, at last, fulfill the constitutional promise of domestic tranquillity for all of our law-abiding citizens.

Thank you very much.

NOTE: The President spoke at 9:57 p.m. in Woolsey Hall at the Yale University Law School. In his opening remarks, he referred to Kingman Brewster,

Jr., president of Yale University, Abraham S. Goldstein, dean of the Yale University Law School, and Bartholomew Guida, mayor of New Haven, Conn.

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Remarks to Participants in an Alpha Kappa Alpha Sorority Regional Conference in Alexandria, Virginia. *April 26, 1975*

I WAS at a meeting here where I was dropping by to make some remarks to two other meetings. I was delighted to have the invitation to just stop by and say hello. I wish that I could stay and enjoy the full evening with you, but I am delighted just to have an opportunity to say hello and to wish you the very best.

I can tell you from my experiences with some of those of you who I have met before, that this Administration is anxious, most anxious that we have an opportunity to sit down together, to work together in the solution of some of the problems that affect all of us 213 million Americans.

Let me say that although we have gone through some very difficult times in the last 9 months or more, I happen to have great faith in the character, the strength, the vision of all of our fellow Americans, and this means the friends that all of us have in 50 States throughout the United States.

The disappointments we have had in foreign policy, the problems we have had with the economy are all problems that we wish were not on our shoulders. But we have to deal with the reality, and although we, in almost 200 years, have not fulfilled the great dream that our forefathers wanted for each and every one of us, I don't think we should be disappointed, because it is our job, like those who preceded us, to help fulfill that dream.

Each of us in our own way can make a contribution to that grand fulfillment, so that your children and my children and their children can have the benefits of the dream that was written in the Declaration of Independence, in the Constitution some 200 years ago—the dream that is going to be fulfilled with your help and what I can contribute and what thousands and thousands of others can contribute in the months and years ahead.

I am an optimist. Our problems overseas will be resolved. Our difficulties at home can be handled and moved ahead so that all of us will be much better off.

I just thank you for the kind thoughts and the prayers, because I need your help, not just for me but for all of our fellow Americans. We have a great obligation to them because we want America not only a leader in the world but a country that gives to all of our citizens opportunity and blessings that none of us have had in the past.

I say to you, thank you for the opportunity just to say hello and to be here.

NOTE: The President spoke at 7:30 p.m. in the Commonwealth Room at the Marriott Twin Bridges

Hotel to participants in the 22d mid-Atlantic regional conference of the sorority.

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Remarks at a Republican Party Reception in Alexandria, Virginia. April 26, 1975

Thank you very much, Governor Godwin. Senator Bellmon, Senator Bill Scott—and I understand Senator Harry Byrd is here, or was here—the Republican Members of the House of Representatives—and you have an outstanding delegation—the members of the State legislature, your fine Lieutenant Governor, Dick Obenshain:

It just seems to me that the State of Virginia under Governor Godwin, under the mantle of the Republican Party and its representation both in Washington as well as in your State capital is in the best of hands, and I compliment you very, very much.

I am here for a very simple reason—Virginia is for lovers. [*Laughter*] And it would be my observation that there are a lot of lovers of the Republican Party in the State of Virginia.

I can't help but speak with great conviction for your Governor. I have said it before, but I mean it. I believe it so deeply. It has been my observation as I have traveled around the country for the last 10 or 15 years, that in your Governor you have a man who is totally dedicated to what is in the best interests of your State, all of its people, and in the best interests of our country. And we are lucky to have him as a Republican.

We are very fortunate in the Republican Party organization at the national level to have Dick Obenshain. Dick has moved in; he is doing a superb job. And I thank you for making him available for this very important responsibility as the number two person in the national committee. Dick, I thank you for your availability, and I thank all of you for making it possible.

There is nothing more important—once you get past the people who hold positions of responsibility in a State government—than the individual who is in charge, or elected official in the party organization. In George McMath¹ you have an outstanding individual. And I compliment you for selecting him, and I thank him for the efforts that he is making. George, we are most appreciative.

Well, I could speak with great fondness and gratitude on behalf of the Republican Members of the House of Representatives. They are the kind of people I like, and they are the kind of people that do a great job for you and an especially fine job for the country. So, you should be appreciative of their efforts. I only add one little postscript. We lost several very outstanding ones. I hope that we can recapture and regain those seats that we lost in 1974.

That brings me to 1976. In 1974, we had double-digit inflation of about 12 to 13 percent. We had the prospects of serious unemployment; at least, the problem was obvious to many, many people. We had absolutely the worst political environment that I can recall in my 20-some years in active political life, and for the Republican Party to do as well as we did under those circumstances was remarkable.

In 1976, we have a very unique opportunity to recapture, to regain the ground we lost and even to do infinitely better. Let me tell you why. In contrast to 1974 when inflation was 12, 13 percent, the rate of inflation is going to be half as much, if not better. We are making tremendous headway in this battle. We aren't totally successful, but there is significant progress. We are going to come out of this economic problem we are in, and I can assure you that by the end of this calendar year and moving into 1976, the picture, economically, throughout the country will be on the upswing.

The net result is our policies, the responsible policies of a Republican administration and those Republicans in the Congress will be salable to the American people.

Let me add this, because it is equally important. We are going to have, in 1976, excellent results in the field of foreign policy. We have gone through some disappointments, some sad and tragic events. There is no use talking about the past in this regard. We must build for the future, to make certain and to make positive that we build for peace with honor and respect and success in the future, beginning tomorrow.

What I am trying to say is that the political environment will be good in 1976. I am looking forward to the campaign in 1976 because I think the policies

¹ Chairman of the Virginia Republican Party.

that all of us believe in, including myself, are the right policies for this country. I am going to be the person who will try to lead in this regard. It is my intention to be a candidate, and it is my intention to be a *successful* candidate in November of 1976.

One State I would love to campaign in is Virginia. And I'll make that commitment.

Now, we have got some problems, but I think Virginia is so far ahead of most of the States that I visited that I don't have to relate them to you. But if history is to be repeated—and I think it usually is—Virginia, because of its elections in a year prior to a national convention, sort of tells the rest of the Nation the direction in which we ought to go as a country.

Now, you have got some extremely important elections coming up in 1975. Mills Godwin needs some more help down there in the State capital. You know, you just can't have Mills and John Dalton² do everything with a minimum of Republicans; he needs a lot more. So, I urge you from all over the great State to go to work and get some good candidates, get some election results and give your fine Governor the kind of help he needs.

But the important point in addition to that is the American people will be focusing on Virginia in 1975 as sort of a bellwether for what the rest of the country is going to do in 1976. Now, we're going to help in any way we can. But I am confident that the people of this great State traditionally have shown the vision that is necessary to give the rest of the American people the objective and the results they will have roughly a year later. So, I thank you for what you have done.

Betty and I have been taxpaying, nonvoting Virginians for about 25 years. [*Laughter*] And we think we made a good choice to come here to Virginia, and we are not disappointed one bit.

But let me add, if I might, you will hear a great address from Henry Bellmon, one of our outstanding Senators. Henry, last November, despite the odds against him, was reelected. He was reelected because he was an outstanding Senator and he went out and fought and prevailed. He struggled and fought for the principles that all of us believe in.

And if we make that kind of a campaign in 1976—a campaign that relates to fiscal responsibility, a campaign that relates to building up State and local units of government and cutting back and decreasing the responsibility of the Federal Government, a campaign that is predicated on what we can do in government to

² Lieutenant Governor of Virginia.

expand, not cut back, the opportunity for the free enterprise system. We have to cut back on all of these programs that some of our good friends across the political aisle try to thrust upon us.

Let me make one observation, if I might. Bill Whitehurst, Ken Robinson, Caldwell Butler, Bill Wampler, and others who I served with in the House of Representatives know that it is just impossible to believe all of the things that some of our Democratic friends want to thrust upon the American people. They want to put more bureaucracy; they want to spend more Federal money. I have talked to your great Senator, Bill Scott, about this.

But as these people who we disagree with try to thrust these programs one after another, on top of one another, I often used to sit back in the rear seats of the House of Representatives and ask myself, "Didn't they realize that a government big enough to give us everything we want is a government big enough to take from us everything we have?"

As Republicans, we believe in the opportunity for individuals, in the responsibility for individuals. We believe in local and State government. We believe in a strong foreign policy with a policy of national defense that is sufficient to protect our interests and to help those who want to help themselves. We do believe that the Republican Party is the only vehicle today that can give Americans in all 50 States the opportunity to express these basic, fundamental, philosophical views.

I thank you for helping with your presence and your contributions so we can continue the fight under the leadership of Mills Godwin and others.

Thank you very, very much.

NOTE: The President spoke at 7:42 p.m. in the Chesapeake Room at the Marriott Twin Bridges Hotel.

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Remarks at the Annual Meeting of the Chamber of Commerce of the United States. *April 28, 1975*

Chairman Smith, President Booth, members and guests of the United States Chamber of Commerce:

It is like a spring tonic to appear before a meeting of the Chamber of Commerce, and I thank you most generously for your warm welcome. Individually as well as collectively, you have always presented such an upbeat, positive approach to America that it really feels good to be with you this morning.

Believe me, we need that kind of vitality, that zest for problemsolving, and that absence of cynicism that so typifies our membership. Let me also congratulate you on the relevance of your theme for this meeting: "America's Future—Our Critical Choices."

As leaders of business, industry, government, we join together to explore the future, so that we may seize the opportunities and be better able to cope with the problems that we face in common. The mutuality of our problems was never more clearly stated than when I was introduced at a business conference quite recently.

The moderator said, "The greatness of America is that anyone can grow up to be president of an auto company, president of an airline, president of a utility, or President of the United States." Then he took a long pause and added, "That's just one of the chances you have to take." [*Laughter*]

Now, speaking of presidents, I would like you to join with me in a salute to someone we're all fond of and proud of, someone who has been a driving force in the Chamber. Arch Booth is leaving as Chamber president to begin some new adventures. In his 32 years with the Chamber, he has helped to build this organization into a dynamic force for good in America, a force that is adaptable, responsive, and innovative.

As long as I have been in Washington—which is more than a generation, Arch—you have been a force for progress in the White House and on Capitol Hill. We will miss you, and all of us wish you the very, very best.

It is appropriate at this 63d meeting that my appearance here this morning follows a slide show sketching the critical choices for the future of our country. That presentation hits many of the points that I have been discussing around the country for the past few months. These critical choices must be made, and they must be made just as swiftly as the Congress and this Administration can work out effective solutions.

One of the most serious problems facing us, of course, is the runaway spending of the Federal Government. It poses a genuine threat to our way of life. I have called upon the Congress to hold the deficit line this year at what I consider the alarming figure of some \$60 billion.

I am pleased that both Houses of the Congress appear ready to use their newly instituted budget reform procedures to impose ceilings on total spending for the next fiscal year. Even though I strongly feel the ceilings proposed by the Congressional budget committees are too high, I am glad that some in the Congress are demonstrating more concern about overall spending than has been the case in the past.

While the spending problems we face are enormous and very, very serious, I agree with the Chamber that there is far more right with America than what is wrong with our great country. I most certainly agree with your president that we have taken for granted the things that are right with America so long, that we must remind ourselves as to what is right with America.

An outstanding example is the fact that under our free enterprise system, we consistently produce higher quality, safer, and more reliable goods than any economy which operates under rigid government control. Planned economies simply do not achieve the quality or the low price of goods which are the fruits of an open and competitive system. Buyers overwhelmingly prefer products of the free enterprise system. Where business competes for the buyer's dollar, the result is better products.

We tend to overlook, also, that the survival of American business is directly dependent on its ability to provide the largest number of consumers with goods of high quality, utility, and safety at attractive prices. The self-interest of American business demands that it please customers, while there is no such automatic mechanism of consumer protection in controlled economies.

We are a dynamic society with a dynamic economy. But this requires that we as people ensure that our governmental institutions are responsive to changing conditions. Let me discuss with you on this occasion one function performed by a government—yes, even ours—which requires our attention and is in need of reform, and that is regulation.

In discussing regulation, let me say we should be prepared to listen carefully to the case of those who might be injured by deregulation or changes in regulations. But we must make our decisions in terms of what benefits all of us. I have confidence that our system can make the changes that are required to meet the challenges of our dynamic society.

It may be useful at this point to distinguish between the two broad kinds of government regulation. First, there are regulations designed to deal with the competitive performance of such industries as railroads, trucking, airlines, utilities, and banking. This type of regulation controls rates, the right to serve specific markets, and competitive practices.

One of the most impressive outcomes of the September summit Conference on Inflation was the nearly unanimous agreement among all participants of all persuasions that there are tremendous efficiency losses, reductions in productivity, and unnecessary costs to the economy from some aspects of this kind of regulation. Almost without exception, the conferees recommended reform or elimination of obsolete and unnecessary regulations.

It is important to recognize that these obsolete and unnecessary regulations are not the result of perversity on the part of some regulatory body or government official. Rather, they result from the fact that the regulatory process is inherently static. Regulations do not automatically expire when they have outlived their usefulness. There is no systematic pattern of review, and even when it is acknowledged that changes are warranted, procedural delays often result in obsolete rules remaining in force for years. In short, while the intention of regulation is to protect consumers, it sometimes does just the opposite.

In many cases, the reduction or elimination of existing regulations would result in lower prices for the consumer and open new opportunities for business. In other industries, where there is inadequate competition, regulation should continue. But it is the job of government to ensure that such necessary regulation is administered efficiently and fairly.

A second type of regulation is concerned with social issues such as occupational safety, consumer product safety, and of course, the environment. This kind of regulation is generally of more recent origin, but it is becoming more critical every day.

The central issue here is the need for a proper assessment or evaluation of costs and benefits. The question is not whether we want to do something about noise or safety, but whether, in making changes in our regulations, would they make more sense in terms of costs added and benefits gained.

When I talk about costs, I am not just talking about cold figures in a book-keeping ledger. I am talking about what you pay in the marketplace—in the supermarket, in the clothing store, in the ladies boutique. Ultimately, all such costs are paid by you, the producers, and your wives, the consumers.

All too often, the Federal Government promulgates new rules and regulations which raise costs and consumer prices at the same time, to achieve small or somewhat limited social benefits. In these cases we must either revise proposed rules and regulations to lower their costs, or we must not adopt them in the first place. Moreover, we must examine the whole range of existing rules and regulations to determine whether modifications could lower costs without significantly sacrificing their objectives.

Let me emphasize, however, that we do not seek to eliminate all regulations. Many are costly, but they are essential to preserve public health, public safety. But we must know their cost and measure those costs against the good that the regulations seek to accomplish.

A major problem is that these costs are often hidden from the public, generally. While we are all accustomed to an open debate on the government's

budget, far too little attention has been focused on the ways in which government regulations levy a hidden tax on the American people. In the nearly 90 years since we created the first Federal regulatory commission, we have built a system of regulations which abounds with contradictions and excesses, all to the detriment of the public.

There are sound estimates that government regulations have added billions of unnecessary dollars to business and consumer costs every year. To reverse this trend of growing regulation, my Administration is working hard to identify and to eliminate those regulations which now cost the American people more than they provide in benefits. I feel strongly, just as the Chamber does, that we must keep and improve those regulations which work, but we have an obligation to discard those that do not.

Let me review with you for a moment some of the steps we are taking to make sure that we concentrate not on rhetoric, but on results.

First, I have asked all offices within the executive branch to evaluate the inflationary impact of significant legislation, rules, and regulations which we propose. Let me say that I am delighted that the House of Representatives has also adopted changes in its rules to require the measurement of the cost of legislation before it is adopted.

Most people would agree that some regulation is needed, but only when we know the costs of proposed government actions can we rationally determine how much regulation we're willing to pay for. For example, is it worth as much as \$30 billion a year of the consumer dollar to reduce the level of occupational noise exposure by approximately five decibels? Have airbags been proven sufficiently cost-effective for us to require their installation in all cars at between \$100 and \$300 each?

Earlier this year, I sent to the Congress a comprehensive program to seek energy sufficiency for our Nation. Among the highest priorities of this effort is my proposal to remove, as quickly as possible, the Federal price controls on new natural gas sold in interstate markets. At present, the artificially low price of natural gas marketed interstate has curtailed exploration and development and forced users, shut out by present shortages, toward either curtailment of their operations or greater dependence on oil. Inevitably, inaction this year by the Congress will result in plant shutdowns and job layoffs. We cannot afford that bad result.

We have already submitted a financial institutions act, which should phase out some of the most anticompetitive Federal regulations governing banks and thrift institutions. The American people will benefit if all financial institutions

are able to offer a wider variety of lending services and pay more competitive interest rates to savers.

In the coming weeks, I will send to the Congress a comprehensive transportation program designed to achieve maximum reform of Federal regulations governing our railroads, airlines, and trucking firms.

The first of these bills will permit railroads to begin to adjust their rates within specified limits, without ICC interference. The legislation will improve procedures for mergers and for abandonments. The increased competition brought about by this legislation will lower costs for consumers and save approximately 70,000 barrels of oil each day. Legislation proposing corresponding reform measures for trucking and airline regulation will follow shortly.

Another element of our program is pending legislation in the Congress which would end the so-called fair trade laws. Federal law today now permits States to allow manufacturers to dictate the price of their product and drives up the cost on such items as books, cosmetics, shoes, hardware. These Depression-era laws, which cost consumers an estimated \$2 billion a year, should be laid to rest along with the NRA [National Recovery Administration] Blue Eagle of the same period.

In addition, I will propose changes in other laws which restrain competition and deny buyers substantial savings. The Robinson-Patman Act is a leading example of such laws. It discourages both large and small firms from cutting prices, and it also makes it harder for them to expand into new markets and to pass on to customers the cost-savings on large orders.

Finally, there are a number of related actions which will improve our understanding of government regulation and facilitate future changes. The problem of Government-imposed reporting requirements has become so acute that your Government has had to create a Commission on Federal Paperwork. Yes, that is right. There is a committee, a board, an agency, or a commission in Washington for just about everything, including trying to cut down the onerous filling-out of Federal forms, which last June numbered exactly 5,146 separate types. That's many too many.

The Commission will represent the Administration, the Congress, and the public, and I intend to see that its very wide powers are used effectively to cut down the unnecessary burden on our American free enterprise system.

I will be convening very shortly an unprecedented meeting of all of the Commissioners of the ten major independent regulatory agencies. Joining them will be key Members of the Congress and the Administration. Together, we will discuss the imperative need to foster greater competition in the public interest

and the equally imperative need to consider the inflationary effects of all proposed new regulations.

Let me reaffirm to you today my deep personal conviction that the best way to begin in our efforts is to improve the government we have, not to enlarge it. I do not believe a bigger government is necessarily a better government. May I add this: Please never forget, a government big enough to give us everything we want is a government big enough to take from us everything we have.

I have ordered action by the executive departments and agencies to make major improvements in the quality of service to the consumer, and I have asked the Congress to postpone action on legislation which would create a new Federal agency for consumer advocacy. I do not believe that we need yet another Federal bureaucracy in Washington with its attendant costs of about \$60 million over the next 3 years and hundreds of additional Federal employees.

At a time when we are trying to cut down both the size and the cost of Government, it would be unsound to add still another layer of bureaucracy. Instead, the program I have outlined represents the first steps toward improving Government's ability to serve all of its citizens.

Let me add, I need your help in so many ways. I need your views, your ideas, and yes, your suggestions, for in that way, we can bring the full weight of the business community to bear down on solving the mutual problems that we face. I urge you to bring to my attention those Government practices which you feel unnecessarily add to costs and interfere with the effective working of our free enterprise system. You will be doing your country and your fellow businessmen a service—as well as yourself.

We have a unique opportunity right now to make some long-overdue changes in a system of regulations which has not kept pace with the times. The critical choices remain to be made, but I am confident that America has the capability and the desire to respond to those challenges. These fundamental reforms are vital to our economic recovery and our long-range stability.

I commend the Chamber for the advertisements entitled, "What's Right With America." Of the 12 items listed in the ad, I particularly like number six, which says, "We have a willingness to experiment with different forms of social, economic, and political organization—keeping what works and discarding what doesn't."

That sums up very well what I have said to you here today. So, let's work together in this effort which will benefit all Americans.

Thank you very much.

NOTE: The President spoke at 10:25 a.m. at Constitution Hall. In his opening remarks, he referred to Charles H. Smith, chairman of the board, and

Arch N. Booth, president, Chamber of Commerce of the United States.

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Statement Following Evacuation of United States Personnel From the Republic of Vietnam. *April 29, 1975*

DURING the past week, I had ordered the reduction of American personnel in the United States mission in Saigon to levels that could be quickly evacuated during an emergency, while enabling that mission to continue to fulfill its duties.

During the day on Monday, Washington time, the airport at Saigon came under persistent rocket as well as artillery fire and was effectively closed. The military situation in the area deteriorated rapidly.

I therefore ordered the evacuation of all American personnel remaining in South Vietnam.

The evacuation has been completed. I commend the personnel of the Armed Forces who accomplished it as well as Ambassador Graham Martin and the staff of his mission, who served so well under difficult conditions.

This action closes a chapter in the American experience. I ask all Americans to close ranks, to avoid recrimination about the past, to look ahead to the many goals we share, and to work together on the great tasks that remain to be accomplished.

NOTE: On April 29, 1975, approximately 1,000 U.S. and 5,500 Vietnamese personnel were removed from the Saigon area. The 16-hour operation was accom-

plished with a fleet of 81 helicopters flying from U.S. Navy ships sailing off the coast of the Republic of Vietnam.

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Toasts of the President and King Hussein of Jordan. *April 29, 1975*

Your Highness:

I want again to extend to you my personal feeling, my strong conviction that you and your country represent, in this situation, the finest in what we have to do in the area of peace in the Middle East.

You have been here many, many times over the years, and on each and every

occasion, your contribution to a solution has been all to the good from the point of view of all parties concerned. We are deeply grateful now as well as in the past for this contribution.

We had a very, I think, constructive meeting this morning, and I know you are going to be meeting with the Secretary of State tomorrow. Your personal contribution to this very difficult problem that the world faces in the Middle East is a very significant one.

We have had some disappointments with the efforts that the Secretary of State and that I made in the Middle East. But I for one do not believe that we can tolerate stagnation or stalemate, and we do not intend to do so.

The precise key, the precise answer is still being analyzed here in our country and, I am sure, in other parts of the world. But momentum for progress has to be continued. And one of the benefits of my meeting with you this morning was that we discussed the need and necessity not to look back and condemn one party or another or to have any adverse comments about one party or another.

The important point is that we have to look forward. We have to be optimistic about what is good in the Middle East, but what, more importantly, is good for the world as a whole.

The situation in the Middle East is totally related to the improvement of world conditions on a global basis. We are thankful and very appreciative of your continuous statesmanship. It has been evident to everybody over a long period of time, but I have personally had the opportunity to observe it, and I thank you.

We are most grateful, and in the months ahead we will be very mindful of your observations, your recommendations, as we try to find an answer to the problems not only in the Middle East but elsewhere.

So, it is my great honor and privilege, Your Majesty, to offer a toast to you for all that you have done and all that you will do for the benefit of all of the people in the Middle East and the people in the world.

Your Majesty.

NOTE: The President spoke at 9:16 p.m. in the State Dining Room at the White House. King Hussein responded as follows:

Mr. President:

It is indeed an honor and a very great pleasure for me, sir, to have had this opportunity to meet with you again, sir, and to be amongst friends.

We have indeed over the years been ever proud of the fact that those years that passed brought us closer together in many fields and in many areas. We are proud of the friendship that has always

existed between our two countries, the friendship that now we feel exists between the Arab nation and the United States, its government and its people.

We have a commonality of interests. On the one hand, we share the same principles, uphold the same ideals, have the same hopes and aspirations for a better world, for a world where people can live in peace and in dignity and divert their energies and resources to further build for the generations to come.

Our area is a troubled area, and trouble in

our area is dangerous, not only to all those who live in it but to the future of mankind.

I am proud of the fact that I don't speak only for myself but for many of the area's leaders, many of our present Arab world, and to say that we wish for nothing more than a just and durable peace. We are proud of the fact that we have contributed our utmost towards that end, and we have determined to do our utmost for that end.

We know very well that the United States will continue to look at our problems with interest and with determination, to play the major role which only the United States can play for the attainment of the goal of peace.

We have watched with admiration and respect the many efforts, sir, made under your wise auspices and leadership—the efforts and initiatives of our great friend, Dr. Kissinger; the patience, the perseverance, and the dedication. Regardless of the outcome to date, we admire the spirit, and we appreciate the tremendous efforts, and we will always do so.

We look into the future with hope at the chance that is ahead of us—which may be the final

chance—and a tragic history of lost opportunities may be taken by all concerned for the establishment of a just and durable peace.

We saw difficulties, sir. We feel that they are both in our area and in the world as a whole.

I thank you for the time and the patience, and I look forward to my days in Washington and the opportunity to meet and talk very frankly with all our friends on all issues of mutual interest.

I thank you, sir, for giving me this time, and I can assure you that we will continue to do our utmost to work together for a better future in our area and in the world, ever proud of the friendship that exists between us, ever determined to see that we strengthen the ties that happily exist and have existed for so long between our nations and our peoples.

Gentlemen, I would wish you to join me in drinking a toast to the President of the United States, his continued good health, success, and to the United States and to the friendship that we hope will always grow between the Arab people and the people of the United States.

The President.

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Statement Urging Congressional Adoption of a Federal Spending Ceiling. April 30, 1975

THIS WEEK the Congress has an opportunity to show the American people where they stand on fiscal responsibility.

Under a new procedure established by the Congress last year, budget committees have been established in both the House and the Senate. These committees have been hard at work since the 94th Congress convened. Each committee has now produced a resolution calling for a ceiling on Federal spending for fiscal year 1976, and these resolutions will come before the Members for a vote this week.

As you know, when I signed the tax cut bill, I drew my line on the Federal deficit at \$60 billion. I reaffirm my commitment to that \$60 billion ceiling and urge in strongest possible terms its acceptance by Congress.

Both the House and the Senate resolutions would raise my ceiling. The Senate resolution would approve a deficit of \$67 billion; the House \$73 billion. I strongly believe my limit is far preferable to either alternative.

Until now, there has been no mechanism for instilling discipline in the total spending actions of the Congress. Instead, the legislative process has proceeded

in a piecemeal fashion, each committee acting on its own. As a result, no one in Congress was responsible for assuring that we could afford everything that was enacted.

Our economic circumstances cannot tolerate such a haphazard approach. Therefore, I urge in the strongest possible terms that both Houses of Congress adopt a spending ceiling resolution. The national interest requires that Congress draw a firm spending and deficit line.

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**Letter to the Speaker of the House Urging Enactment of
Vietnam Humanitarian Assistance and Evacuation
Legislation. May 1, 1975**

[Dated April 30, 1975. Released May 1, 1975]

Dear Mr. Speaker:

In view of the urgent need for funds to pay for humanitarian assistance and transportation of refugees from South Vietnam, I request that the House of Representatives act quickly to approve the Conference Report on H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act of 1975. In making this request, I am aware that sections 4 through 9 of H.R. 6096 have been overtaken by events and have no further utility. Nevertheless, the enactment of the bill as recommended by the Conference Report is the most expeditious method of obtaining funds which are now desperately needed for the care and transportation of homeless refugees.

As I stated yesterday, the evacuation has been completed. The Congress may be assured that I do not intend to send the armed forces of the United States back into Vietnamese territory.

Approximately 70,000 evacuees are now located on various safe haven islands, on U.S. Navy vessels and on civilian vessels. These individuals are being cared for by agencies of the United States Government while being processed through a system established to relocate them in the United States and in other countries.

Although the specific cost of activities related to the evacuation cannot be fixed at this point, it is estimated that direct U.S. expenditures to care for and process these evacuees, and contributions to international organizations and private voluntary agencies to assist in this effort, will exceed \$400,000,000. Available funds already appropriated to provide aid to Vietnam will be reprogrammed and

May 1

Gerald R. Ford, 1975

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utilized to the maximum extent possible. But the additional authority of \$327,000,000 will be required to fully meet immediate needs.

The authority of this legislation, followed by appropriations as soon as possible, is necessary to continue this operation, to integrate the evacuees into the United States and other countries and to permit consideration of further humanitarian assistance which may be consistent with the provisions of H.R. 6096 and American policy objectives.

I urge the immediate enactment of H.R. 6096.

Sincerely,

GERALD R. FORD

NOTE: For the President's statement on the failure of the House of Representatives to approve H.R. 6096, see Item 231.

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Letter to the Speaker of the House and the President of the Senate Concerning Oil Price Controls and Import Fees.

May 1, 1975

[Dated April 30, 1975. Released May 1, 1975]

THREE and one-half months have passed since I presented the Nation and the Congress with a comprehensive program to achieve energy independence by 1985. Although the policy I put forth was not an easy solution, it was, and remains today, the only comprehensive and workable national energy program. Because of the seriousness of the problem, I also moved to cut energy demand and increase supply to the maximum extent within my administrative discretion by announcing a three step increase in the fees on imported petroleum starting last February 1 and complete decontrol of old oil prices by April 1.

After imposition of the first dollar of the additional import fees, the majority leadership in the Congress requested that I delay further actions to provide time to evaluate my proposals, to formulate an alternative comprehensive energy plan and to enact legislation. I granted a 60 day delay in the spirit of compromise, in spite of the fact that we already waited much too long to make the hard decisions our country needs.

In the 60 days that followed, a number of Congressional energy programs were introduced and considered. Little progress has been made though. Thus, I am forced to again make a difficult administrative decision.

Since my State of the Union Message last January, there has been no improvement in the situation in the Middle East. The existing tensions only heighten my belief that we must do everything possible to avoid increasing our dependence on imported oil in the months ahead.

The recession is coming to an end. But the pending upturn will result in greater demand for imported oil. At the same time, however, it will put us in a better position to absorb the adjustments that greater energy conservation will require.

There are some encouraging signs in the Congress. Chairmen Ullman and Dingell and ranking minority members Schneebeli and Brown have been working diligently in their respective committees to formulate a comprehensive energy program. After extensive hearings and discussions, their efforts to date embody some elements of the energy proposals which I sent to the Congress as well as several which could be potentially disastrous.

The Senate has also conducted many hearings. Yet the only legislation which has passed is a bill that would impose mandatory restrictions within 60 days on recreational and leisure travel, hours of business operation, and commercial lighting. This bill is ineffective and unrealistic. It would result in unwarranted government control of personal freedoms, and would cause unforeseen economic consequences.

I am hopeful that the weeks ahead can result in agreement between the Congress and the Administration. I believe it can if we are willing to work diligently, honestly, and more rapidly. But I am concerned about the possibility of the Congress passing politically popular legislation which will not only fail to meet our energy needs but which could create serious economic problems for the Nation. From my many years in the Congress, I know how easy it is to become embroiled in endless debate over tough decisions. I also know how easy it is for the Congress to enact legislation full of rhetoric and high sounding purpose, but short of substance. That must *not* happen in this case.

Neither the House nor the Senate has passed one significant energy measure acceptable to the Administration in these past few months. Hence, I must be a realist—since the time before final legislation will be on my desk is very long. I understand that in many ways the timing and substance is beyond the control of the individual committee chairmen. Yet, postponement of action on my part is not the answer. I am, therefore, taking these administration actions at this time:

—First, I have directed the Federal Energy Administrator to implement a program to steadily phase out price controls on old oil over two years, starting

June 1, 1975. This program will not proceed until public hearings are completed and a plan is submitted for Congressional review, as required by statute. While I intend to work with the Congress, and have compromised on my original decision to proceed with immediate decontrol, the Nation cannot afford to wait indefinitely for this much needed action. I intend to accompany this action with a redoubling of my efforts to achieve an appropriate windfall profits tax on crude oil production with strong incentives to encourage maximum domestic exploration and production.

—Second, I will again defer the second dollar import fee on crude oil and the \$.60 per barrel fee on imported petroleum products in order to continue the spirit of compromise with the Congress. However, I will be forced to impose the higher fees in 30 days, or sooner, if the House and Senate fail to move rapidly on the type of comprehensive legislation which is necessary to resolve our critical energy situation. Such legislation must not embody punitive tax measures or mandated, artificial shortages, which could have significant economic impact and be an unwarranted intrusion on individual freedom of choice.

The administrative action that I have set in motion will help achieve energy self-sufficiency by 1985, stem increasing vulnerability during the next few critical years, and accomplish this without significant economic impact. Nevertheless, my actions alone are not enough. The Congress must move rapidly on a more comprehensive energy program which includes broader energy conservation and actions to expand supply. Action now is essential to develop domestic supplies and protect American jobs. It is my utmost desire in announcing these executive initiatives to balance our overwhelming need to move ahead with an equally important need not to force outright confrontation between the Administration and the Congress.

I pledge to work with the Congress in this endeavor. To the extent comprehensive and effective legislation is passed by the Congress, I stand ready to approve it. What I cannot do is stand by as more time passes and our import vulnerability grows. If this happens, I will not hesitate to impose the higher import fees. Meantime, my administrative actions must fill the gap in this endeavor. The country can afford no less.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House

of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

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**Message to the Congress Transmitting Annual Report on
the Trade Agreements Program. May 1, 1975**

To the Congress of the United States:

I am pleased to transmit herewith to the Congress the Nineteenth Annual Report of the President of the United States on the Trade Agreements Program. This report covers calendar year 1974.

The world economy in 1974 was characterized by deepening stresses and strains caused by persistent inflation, a downturn in economic activity, structural dislocations in the wake of the oil crises, high rates of unemployment, and widespread uncertainty as to the future. In such circumstances, most governments faced strong pressures to adopt unilateral restrictions on imports, to promote their export earnings and to secure access to essential supplies.

Fortunately, most governments have not forgotten the costly lessons of the nationalistic, go-it-alone policies and ensuing trade wars of the 1930s. With economic wisdom and political courage, the world's industrialized countries have in large part held the line against the proponents of short-sighted solutions involving unilateral measures restricting and distorting trade and competitive currency devaluations. Moreover, recognizing the need for positive, cooperative approaches, most of the world's trading nations joined in technical preparatory work for far-reaching multilateral negotiations to reduce trade barriers, as had been agreed to by over 100 countries in September, 1973. By the end of 1974, this preparatory groundwork was largely completed.

Passage of the Trade Act of 1974 last December opened the way for the multilateral trade talks to move into the negotiating stage in February, 1975. Countries accounting for most of the world's trade are participating in negotiations which will include all types of tariff and nontariff barriers that affect agricultural as well as industrial trade. Both developed and developing countries expect major benefits from the results.

When these negotiations were launched in 1973 at a Ministerial-level meeting in Tokyo, the objective was to achieve the "expansion and even greater liberalization of world trade and improvement in the standard of living and welfare of the people of the world." This commitment has been reaffirmed in recent meetings of the Trade Negotiations Committee in Geneva. The spirit of co-operation offers hope for broad and significant results.

The mandate given the President in the new trade legislation will enable

the United States to play a leading role in these multilateral negotiations. Our position will be strengthened, moreover, by the close working arrangements which have been established between the Executive Branch and the Congress. Under these arrangements, representatives of the Congress have an important voice in U.S. policies and are participating fully in the negotiating sessions.

U.S. negotiators will also have the benefit of far more extensive advice from the public sector than in the past. Public hearings by the International Trade Commission are in progress. Hearings by the Executive Branch will open soon. Advisory committees, made up of a cross-section of the public interest and agriculture, industry, labor and consumer groups involved, will provide input for the U.S. negotiating effort at both the policy and technical levels.

The Trade Act, like the earlier Declaration of Tokyo, recognizes the importance of providing fair and reasonable market access to products exported by developing countries. As one step toward this objective, the Act provides for the granting of temporary generalized tariff preferences to such countries. The mandatory procedural steps for establishing the preference system have been initiated. When the system is in operation later this year, it will offer substantial benefits to many developing countries.

I am hopeful that, as implementation moves forward, the Congress will provide the necessary authority to include other developing countries through waiver of those restrictions of the Trade Act that are incompatible with our national interest and to which a number of countries have voiced strong objections.

At the same time, in signing the Trade Act on January 3, 1975, I expressed reservations about the wisdom of one of its provisions relating to restrictions on trade with the Soviet Union which led the U.S.S.R. to repudiate its 1972 trade agreement with the United States. This action by the Soviet Union constitutes an unfortunate setback to normalization of our economic relations with that country. In a spirit of cooperation with the Congress, I am hopeful that a solution to this problem can be found.

In light of the serious economic problems in the United States and elsewhere in the world today, efforts to preserve and build upon past gains in the trade field are now more urgent and imperative than ever. A more open, fair, and nondiscriminatory system, providing access to both markets and supplies, can give a vital stimulus to economic recovery, increased employment, and sound growth both in the United States and in the world economy. Congress has provided the mandate for the United States to move forward toward these objectives in cooperation with other nations. It is my intention to carry out this mandate

fully and expeditiously, in the interests of the health of the American economy and the strengthening of harmonious and mutually beneficial economic relations among all countries of the world.

GERALD R. FORD

The White House,
May 1, 1975.

NOTE: The 54-page report is entitled "Nineteenth Annual Report of the President of the United States on the Trade Agreements Program—1974."

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Remarks at the Swearing In of Rogers C. B. Morton as Secretary of Commerce. May 1, 1975

Thank you very much, Fred. Mr. Vice President, Rog Morton, distinguished Members of the Congress, Mr. Justice Powell, members of the Department of Commerce family, ladies and gentlemen:

I think there is some significance to my coming here. It has a dual purpose: one, to indicate my great interest in the Department of Commerce, as the former Secretary has said; and my great interest in one of my closest and best friends, Rog Morton.

I do want to pay my respects to a very vital department of the Government and to a devoted friend of mine. This is a very special day for Rog Morton. In addition to becoming Secretary of Commerce, with its many duties and great responsibilities, I have also asked him to continue as the Chairman of the Energy Resources Council, with all of its very essential and vital responsibilities. I have a feeling there is going to be an awful lot of energy conserved, but I am not sure that it's going to be done by Rogers.

Because of his dual responsibility, Rog will be wearing two hats, and from my knowledge of him over a long period of time, he can do it. But, I don't mean he has a big head. [*Laughter*] I think he has just got plenty of talent.

I have had the privilege of knowing Rog as a Congressman, party chairman, a Cabinet member, and in each capacity, he has done an outstanding job. And I am absolutely confident he will continue this string of successes as the new Secretary of Commerce.

With the end of the Vietnam era, tragic as it was, I think it is time for America to look ahead, to move forward, as I have said before, with a new

agenda for the future, an agenda designed to solve the Nation's problems as we move into this third century in our great history.

A top item on that agenda is the restoration of a dynamic and effective economy and a revitalization of our free enterprise system as we know it and we love it in America.

The Secretary and the staff of the Department of Commerce must play a very key role in bringing this about. But let's not kid ourselves. Despite the enormous material progress and individual freedom which we have attained in America through the free enterprise system, confidence in that system today is considerably lower than it should be.

One reason is inadequate education and a lack of understanding of the free enterprise system, which has produced for all of our citizens the highest standard of living in the history of the world. Because it has worked so well for so long a time, we have tended, unfortunately, to take it for granted. I don't think we can do that any longer. We must make sure not to lose this great legacy of freedom, progress, and prosperity through apathy or indifference or even ignorance. And that is where this department and this man who is about to be sworn in as your new Secretary comes in.

Rog Morton, it's up to you and your department, along with the business community, to get the facts to the people, to resell Americans on the most productive and the most responsive economic system the world has ever seen. It will also be your task, Rog, to help restore—and I am positive you can do it—the confidence of the business community in government, and the public confidence in the business world. Let me assure you I will work with you in that vital effort.

Now, as you take over these new and these very vast responsibilities, I want to wish you the very best, the best success in pursuing these new goals. I am fully confident that this Department, its new Secretary, have the energy, the ability and the character and the integrity to do this important job.

It's now my privilege and pleasure to ask Justice Powell to administer the oath to our new Secretary of Commerce.

NOTE: The President spoke at 12:22 p.m. in the Commerce Department Auditorium. He was introduced by former Secretary of Commerce Frederick B. Dent.

Lewis F. Powell, Jr., Associate Justice of the

Supreme Court, administered the oath of office.

Secretary Morton's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 472).

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**Exchange With Secretary of the Treasury Simon Upon
Purchasing the First Bicentennial-Design Series E Savings
Bond. May 1, 1975**

Mr. Secretary:

I am a very honored and pleased person to have the opportunity of buying the first Bicentennial Series E Government Bond.

Back in 1941, President Roosevelt, as I understand it, made the first purchase of war bonds at the outset of our very maximum effort in trying to protect ourselves and save freedom. I think most of us who were in the service in those days did the same. It was a good investment then, and it is a good investment now.

And the net result is we have some \$64.5 billion of investment by private citizens in E and H bonds. I am delighted to join in this occasion today, but I have continued over the years to make this investment.

I think this is a very visible, sound way in which all of us can do something affirmative to help our Government at this critical time. It is kind of a good kick-off for the Bicentennial. I haven't seen the bond yet, but I understand it has got a copy of the Minuteman on it, and I think that is especially significant as we enter our Bicentennial year.

So, Bill, I am going to give you a check—I better sign it—and then, in return, I am looking forward to this investment and a comparable amount every month in the months ahead.

SECRETARY SIMON. Thank you, Mr. President.

This, as you rightly said, renews a great tradition. Actually, it was 34 years ago last night that Secretary Henry Morgenthau presented the first Series E Bond to President Roosevelt. That was on the eve, as you know, as we were preparing for a great world war.

We hope that this fitting Bicentennial bond, as we look to the next 100 years ahead, will be preparing for great peace and prosperity and renewal in the great tradition of our national heritage.

I know the savings will be great and give great prosperity that always grows from those results. It is an honor to be here and be able to sell you this first bond in behalf of the Treasury Department and our savings bond staff, as well as our elite corps of volunteers who do such a super job.

THE PRESIDENT. Thank you. And I thank the Secretary of Agriculture for

undertaking the Government-wide sales program—promotional program—for this effort in this year.

I want you to notice that I didn't have the beneficiary made out to me. It is made out to my good wife. She expects to live a lot longer than I do. [*Laughter*]

SECRETARY SIMON. Also, as a memento of this occasion, I'd like to present this American Citizen Volunteer Minuteman [statuette] to your guests, which says "American citizen volunteer serving . . . in the beginning and serving today through the U.S. Savings Bonds Program, Gerald R. Ford, the President of the United States."

THE PRESIDENT. Thank you very much. It looks like the people we saw at Lexington and Concord a week or so ago. Thank you very much, and congratulations.

NOTE: The President spoke at 1 p.m. in the Oval Office at the White House.

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Remarks Upon Presenting the President's Trophy to the Handicapped American of the Year. May 1, 1975

THANK YOU very much, Harold, for greeting me and giving me an opportunity to say a word or two to our distinguished guest, Elton Ringsak, the Handicapped American of the Year.

I am very delighted to meet with you and to meet Elton. All of the people in this room, of course, are very familiar with the great problems that face the handicapped. And one of those problems you recognize, as well if not better than I, is the lack of understanding on the part of many Americans of the problems that handicapped people face in this country.

I think there is also a problem that the American people don't understand, and that is the great courage and the strength that handicapped people have. They may be handicapped physically, but their spirit and their determination make up, in most cases, for the problems that they have physically.

I know that our honored guest today has done a superb job in his State in attaining the enactment of legislation, in convincing people in his State that there can be real progress in making job opportunities a better life for those who are handicapped physically.

So, I commend you, Elton, for this great award, and I thank you for what you have done over the years. This recognition is a proper tribute to you, but all of us

should be extremely thankful for what you have done and I am sure will continue to do.

And so, on behalf of the American people, I thank you for this service and commend you for this award.

NOTE: The President spoke at 1:15 p.m. in the Cabinet Room at the White House. He presented the award to State Senator Elton W. Ringsak, Sr., of North Dakota.

The President was introduced by Harold Russell, Chairman of the President's Committee on Employment of the Handicapped.

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Remarks at the Swearing In of the Membership of the Consumer Advisory Council. May 1, 1975

Mrs. Knauer, members of and prospective members of the consumer advisory group:

Let me congratulate you, Virginia, and those that have worked with you and to wish the new members well in their responsibilities, which I think are very important, as we continue the efforts that have been made, hopefully to expand them, to make sure, to make positive that the consumer is given the maximum protection by all agencies of the Federal Government.

There is, of course, in my opinion, two very critical areas where the consumer needs help: one, price; and two, quality. And quality, of course, covers a very wide range.

I have asked Mrs. Knauer, with the help of this advisory group, to work with all departments of the Federal Government. Each department, with her help and assistance, will have within it a very important responsibility—that of helping the consumer. She, of course, can get from this distinguished group the kind of advice that is needed and necessary in order to make the Government's operation a successful one from the point of view of the consumer.

I have great faith in Mrs. Knauer. I believe this advisory group will contribute significantly.

And so, it's a privilege and a pleasure for me at this time to ask Mr. Ratchford to come forth and swear in the five new members of the Consumer Advisory Council.

Mr. Ratchford.

NOTE: The President spoke at 1:54 p.m. in the Cabinet Room at the White House. Executive Clerk John J. Ratchford administered the oath of office to Stewart M. Lee, Edward R. Willett, Hans B. Thorelli, George E. Myers, and Jean Mayer. Virginia

H. Knauer was Special Assistant to the President for Consumer Affairs.

Council Chairman Lee's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 474).

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Statement on House Action Rejecting Vietnam Humanitarian Assistance and Evacuation Legislation. May 1, 1975

I AM saddened and disappointed by the action of the House of Representatives today in rejecting assistance to the refugees from South Vietnam.

This action does not reflect the values we cherish as a nation of immigrants. It is not worthy of a people which has lived by the philosophy symbolized in the Statue of Liberty. It reflects fear and misunderstanding rather than charity and compassion.

Despite the House vote, I believe that in this tragic situation the American people want their country to be guided by the inscription on the Statue of Liberty:

Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tost to me,
I lift my lamp beside the golden door!

After World War II, the United States offered a new life to 1,400,000 displaced persons. The generosity of the American people showed again following the Hungarian uprising of 1956, when more than 50,000 Hungarian refugees fled here for sanctuary. And we welcomed more than a half million Cubans fleeing tyranny in their country.

Now, other refugees have fled from the Communist takeover in Vietnam. These refugees chose freedom. They do not ask that we be their keepers, but only, for a time, that we be their helpers.

Some Members of the House of Representatives apparently voted against the legislation to assist the refugees because of a section relating to evacuation from South Vietnam. The evacuation is complete.

I urge the Members of the House of Representatives and of the Senate to approve quickly new legislation providing humanitarian assistance to the South Vietnamese refugees. To do otherwise would be a repudiation of the finest principles and traditions of America.

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Veto of the Emergency Agricultural Bill.*May 1, 1975**To the House of Representatives:*

I am returning without my approval H.R. 4296, referred to as the Emergency Agricultural Act of 1975. Although the aim of this bill is laudable, its results would be costly not only to consumers and taxpayers but to American farmers in the long run. It would damage our international market position which is so essential to American agriculture's long-term interests.

Approval of this bill, therefore, would *not* be in the public interest.

In the conduct of the Government's fiscal affairs a line must be drawn against excesses. I drew that line in my address to the Nation on March 29. I promised all Americans that, except where national security interests, energy requirements, or urgent humanitarian needs were involved, I would act to hold our fiscal year 1976 deficit to no more than \$60 billion.

New spending programs which the Congress is considering could easily raise the Federal deficit to an intolerable level of \$100 billion. This *must* not happen.

H.R. 4296 is an example of increased non-essential spending. In fiscal year 1976, it could add an estimated \$1.8 billion to the Federal deficit. If used as a point of departure for longer-term legislation—as was strongly indicated during its consideration—it could lead to an escalation of farm program subsidies in succeeding years.

Approval of this bill would undermine the successful market-oriented farm policy adopted by this Administration and the Congress. It is a step backward toward previously discredited policies.

Prospects for farmers, it is true, are not as bright this year as in the recent past. Farm production costs have been pushed upward by the same inflationary pressures that affect other industries. Demand for certain farm products has simultaneously slackened because of the recession. Prices paid by farmers are currently 11 percent above year-ago levels. In contrast, the index of prices received by farmers is now 7 percent below levels of a year ago. Fortunately, the latest index, released Wednesday, shows that the 5-month decline in prices received by farmers has been reversed and was 4 percent above a month earlier.

The Administration recognizes that some farmers have experienced financial difficulties due to this cost-price squeeze. It has taken a number of positive steps to assist farmers. The 1976 wheat acreage allotment was recently increased by

8 million acres to 61.6 million acres. This action provides wheat producers with additional target price and disaster protection.

We have also increased the 1975 crop cotton price support loan rate by 9 cents a pound. And we recently announced an increase in the price support level for milk, which, combined with easing feed prices, should be helpful to dairy producers.

Within the past several days, we have completed negotiations with the European Community to remove the export subsidies on industrial cheese coming here—a step that ensures that surplus dairy products will not be sold in the U.S. market at cut-rate prices. At the same time, we have worked out arrangements which enable the Europeans to continue selling us high-quality table cheese. This solution has enabled us to keep on mutually agreeable trading terms with our best customers for American farm exports.

The Administration has also taken action to protect our cattle producers against a potential flood of beef imports from abroad. The Department of State is completing agreements with 12 countries limiting their 1975 exports of beef to this country. These voluntary export restraint agreements are intended to keep imports subject to the Meat Import Law to less than 1,182 million pounds.

If unforeseen price deterioration requires action on my part, I will direct the Secretary of Agriculture to make adjustments in price support loan rates for wheat, corn, soybeans, and other feed grains. But it is our expectation that market prices for grains will remain well above loan rates and target prices in the coming year.

Most farmers have already made their plans and bought their seed. Many are well into their planting season. These plans have obviously been completed without any dependence on the provisions of H.R. 4296.

In the long haul, this bill would lead to constraints on production and result in loss of jobs in food-related industries. It would induce farmers to grow more cotton—already in surplus—and less soybeans needed for food. The bill would jeopardize the competitive position of our cotton in world markets.

American farmers have responded magnificently during the past several years to produce food and fiber for this Nation and the world. This has made agriculture our leading source of foreign exchange. This year, despite very trying circumstances, most farmers are again seeking full production. They have my support for a vigorous export policy for their products. I recognize that agricultural exports have been restrained twice in the past two years. We have now eliminated all restrictions on exports and we are determined to do

everything possible to avoid imposing them again. Our farm products must have unfettered access to world markets.

This Administration is determined to act in support of the American farmer and his best interests. It will not act to distort his market. We must hold the budget line if we are all to enjoy the benefits of a prosperous, stable, non-inflationary economy.

For all these reasons, I cannot approve this act.

GERALD R. FORD

The White House,
May 1, 1975.

NOTE: The House of Representatives sustained the President's veto on May 13, 1975.

For the President's statement on the House action, see Item 252.

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Toasts of the President and Prime Minister Hedi Nouira of Tunisia. May 1, 1975

Mr. Prime Minister:

First let me welcome you and your party to the White House this evening. And may I express the warmth of the American people for you and the people that you represent and, particularly, President Bourguiba.

I thought the meeting that we had this morning discussing some of the very important matters involving the Mediterranean, Middle East were very helpful. We look forward to working with you and others in trying to make progress in that vital area of the world.

I couldn't help, as I looked at some of the material that came to me concerning your visit, to note the long, long relationship that your country and our country have had, going back to the latter part of the 18th century. We are proud of that longstanding as well as currently warm relationship. We trust that as we move into the days ahead, there can be a broadening and expansion, deepening of that relationship.

As we look at the progress in your country, which includes great educational advancements for your people, social progress for the people of Tunisia, an increase in the per capita income of the people of Tunisia, you should be very proud of the progress that has been achieved. But I know that the efforts of your President, of you, and others are aimed toward greater progress in the days ahead.

We compliment you and congratulate you on what has been done, and let me

assure you we will try to work with you in the mutual efforts that can be helpful to ourselves as well as to others.

I trust that the President can come here sometime in the future. We are very proud of our relationship with him and very anxious that he come and visit us.

May I extend to you, Mr. Prime Minister, on behalf of the American people, the warmest welcome and the very best wishes. And to you and your party, and particularly to your President, a toast at this time.

To the people of Tunisia and to you, Mr. Prime Minister, and to the President.

NOTE: The President spoke at 9:15 p.m. in the State Dining Room at the White House.

Prime Minister Nouira spoke in French. His remarks were translated by an interpreter as follows:

Mr. President:

I am deeply touched by the very flattering remarks that you have just addressed to me, remarks which, beyond myself, I know are directed to President Bourguiba, founder of new Tunisia, and to the Tunisian people.

I thank you most kindly and I want to express how deep is my joy to be in this great, generous, and hospitable land. The honor and the pleasure that I feel today are shared equally by the members of my delegation. I should like to express our gratitude for your kind invitation as well as for the very warm welcome extended to us.

The century-long relations between our two countries, interrupted by the colonial interlude, have known, since Tunisia became independent, a new impulse in the very harmonious development. My visit, Mr. President, is not only to be viewed within the framework of the very strong and traditional friendship which is the mark of our relationship but it reflects also the very high degree of respect and mutual esteem between our two Governments and our two people.

It is that our two countries have had in common from the very beginning a deep attachment to the ideals of peace, liberty, and justice. And so it was that from the very first years of independence of Tunisia, we found together, in a disinterested and fruitful cooperation, a very fertile ground to go together towards the concrete achievement of our special vision of man and society.

Tunisia, along these lines, is pledged to build its future, relying first and foremost upon her own resources, fully aware of the fact that development is first and foremost a national matter. Tunisians are investing considerable efforts to bring their own country out of its stage of undevelopment and to catch up the lag between our country and industrialized nations. The proportion of our national product which is devoted to investments, the level of saving

in the country, cutting down national consumption, all those have reached very high degrees.

Under the impetus of President Bourguiba, Tunisia is at work. Stability, union, and progress have never been as evident as they are today, nor have they been as reassuring as they are today.

Haven of peace and land of action, Tunisia, over the span of very few years, carried out substantial progress in a number of different areas. We feel that economic and social problems cannot be separated from national security considerations. The solution to be found to these problems is therefore the first line of defense. That is why employment, overall development and speeded-up development, and improving the standard of living are our priority objectives.

In the fulfillment of this enthusiastic task which aims at giving man the potential to fulfill his own self fully, Tunisia, while it calls on its own resources, requests the aid of its friendly nations.

I must stress here that the United States has been of those who were first to respond to our appeal. The assistance that the great American people has given us has been a substantial aid. It has adapted and it has evolved constantly to fit very closely with the various stages of our development, to the national character of Tunisia, and to the psychological and human environment of our country. Faithful to an ideal and to a long tradition of support and assistance—yesterday vis-a-vis Europe, and today for the countries of the Third World—the successive administrations and Congresses of the United States, who have led your great Nation, have always advocated and implemented a consistent policy of very close cooperation with Tunisia.

There remains much to be done to fully attain the objectives of creation of wealth and dissemination of well-being that Tunisia has set for itself. The contribution of our friends remains indispensable to the extent that they are the necessary complement to our own efforts and to the extent that, through technology and science transfer, they contribute to giving our development a new dimension and a determinantal impulse.

Mr. President, whether we talk about our own

problems or international matters, to which the Tunisian people pay particular attention, our political action has always been clear and consistent. Our calling is that of an Arab nation, of a Mediterranean nation, of an African nation. It is based upon the principles of law, justice, and freedom. Those are the very principles which guided us yesterday in our struggle for liberation, which guide us today in our will to develop our country.

The world in which we live will not lead you to all-out optimism. If *détente* appears to place itself within an historical context as a growing reality and if contacts among the great powers concerning disarmament are pursued, still many problems await to be solved.

In our part of the world, and more particularly in the eastern part of the Mediterranean area, peace remains precarious. We have followed with sustained attention the very laudable efforts of Dr. Kissinger. Even though they have not succeeded to attaining tangible and immediate results, we believe that the mission of the Secretary of State has the great merit of bringing forth very clearly the responsibilities of each party. Now, international opinion knows clearly that if it was not possible to bring about the initiation of the peace process, the fault lies primarily upon the intransigence of the Israeli leaders.

We must observe that today most international organizations, most nations have finally recognized the legitimacy of the struggle waged by the Palestinian people, a people who derives its strength from its right to live in a sovereign manner upon the land of its ancestors in freedom and dignity. It is an allusion to attempt to build a just and durable peace in the Middle East without the participation of the representatives of the Palestinian people. That is why we have always advocated a return to international legality. The organization of the United Nations, at the same time as in 1947 it was drawing up the document giving birth to the State of Israel, was also simultaneously defining its boundaries.

Upon our African continent, colonialism has not entirely laid down its arms. Millions of African nationals continue to suffer the injustices of discrimination and oppression. There also, we hope that reason will prevail, and we feel that the international community must strive to spare these innocents the unfortunate events which usually accompany violent reactions.

We must also observe sadly that the sufferings of the civilian populations of the Southeast Asian area do not appear to have reached their final point. We hope that the voice of reason and of the heart will prevail over any other consideration and that very soon a tragedy which has cost much and lasted long will come to an end.

Tunisia has consistently felt and stated that it is

detrimental to resolve problems in an atmosphere of resentment and violence. We remain convinced that, throughout the world, dialog must prevail over the recourse to blind force and the judgment of arms.

Those are the lines along which we feel that the solution of the major issue preoccupying today the governments must be found, and I refer, of course, to the economic crisis which has broken out worldwide and which gives a more precarious character to international balance, which already, by its very nature, is an unstable balance. We feel that it is urgent to reexamine the rules and principles which have, up to now, ruled international relationships in the economic and financial fields.

In this connection, Tunisia feels that the new economic order is a vital need in order to raise the standard of living of hundreds of millions of men and women, and in order to exorcise the scourges of poverty, hunger, disease, and ignorance which weigh so heavily upon nearly half of mankind. Tunisia is convinced, not only for ethical and ideological reasons but because it feels deeply that this is the essential, the essential token for international security, and that this is indispensable for the development and the harmonious fulfillment of the individual human being. Tunisia is also convinced that mankind as a whole must and can make progress toward setting up this new economic order in a serene and concerted manner, not in a fruitless confrontation.

Developed nations, particularly the United States, are facing historic responsibility to contribute to the setting up of this economic order which should be worldwide and more equitable, because it is very true that the economies of the rich nations and of the poor nations are interdependent and complementary. This has been demonstrated clearly.

There is wide opportunity for fruitful and promising cooperation in the interest of all, and consultation and dialog should replace the passionate behavior or the sectarian attitudes and intransigent selfishness. The world is evolving in such a manner that a reconsideration of the relationship between industrialized nations and developing nations is a must. The laws of market alone may not rule these relationships, because if there is a certain legitimacy there, still it is not the sole justification and it is not admitted without any restrictions by the Third World nations.

The main international bodies which arose out of World War II claimed—probably this was the generous intent of their founders—claimed to take into account the interests of their members. But experience has proved that if they did indeed contribute substantially to those who were less well endowed, they were still not in a position to foresee the pace of evolution of our societies, and they were in a certain sense called upon to manage the interests

of the stronger among nations. This has produced an accumulation of tensions in every area—even in every part of the world—which has been detrimental to some and which has been a catastrophe for the large number.

Because of its size, prestige, the genius of its people, and the wisdom of its leaders, the United States must play a decisive role in order to bring about a period of peace and prosperity throughout the world. When he came to Tunisia, Secretary Tabor¹ compared the world situation to a vessel which carries a large number of passengers, but which also carries a very big and bulky elephant. Now, this is a very dramatic picture, and I believe that the passengers on this vessel want as much as the elephant to come together, to come to an understanding, so that they will not all together tumble overboard and find themselves at the bottom of the sea.

Mr. President, I am convinced that the meetings that we shall have with the high leaders of your Administration, as well as with some of the honorable Members of the Congress, will bring about very positive results and will strengthen the free and fruitful cooperation that has existed between our two countries within the framework of our common pragmatic approach, and the spirit of

¹ John K. Tabor, Under Secretary of Commerce.

support and solidarity which has always motivated the Government and the people of the United States with respect to Tunisia.

When we think of the celebration next year of the Bicentennial of the United States, Mr. President, I cannot keep myself from thinking back upon the faith of those proud founders, their vision, who, two centuries ago, united the American people to free their people and build here the greatest democracy the world has ever seen. As directed by President Bourguiba, Tunisia will be happy to participate in this manifestation, and it will offer as a contribution to the celebration an exhibition of some of the most beautiful mosaics, which retrace life in Tunisia under the Roman empire.

Throughout the ages and over time, from the very first steps of the Pilgrims who landed upon an unfriendly shore all the way to the first steps of your astronauts over the Moon, your history is a succession of stunning victories over nature, to wrest from nature its secrets and put them at the service of man. This has been made possible through the genius, the perseverance, and the courage of your research workers and your scientists.

I want to raise my glass, Mr. President, to peace and free cooperation among nations. And let us raise our glass to the prosperity of the American people and friendship between Tunisia and the United States.

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Remarks to Members of the Board of the National Education Association. May 2, 1975

Thank you very much, Bill. President Harris, Commissioner Bell, Frank Zarb, members of NEA, and guests:

It's a great privilege and a pleasure for me to have an opportunity of saying a few words following the comments of John Dunlop and Frank Zarb.

In preparation for my comments this morning, I did a bit of reviewing of the history of NEA. And it was amazing to me that I found that NEA has been a very powerful influence for a long, long time in the history of the United States—over 118 years.

The material that I saw indicated that it was organized back in 1859. And I think that it's quite interesting to note that President Buchanan, in 1859 as I recall, had the total membership of NEA over in the East Room, and according to the statisticians, there were some 55 members.

Obviously, you've grown substantially. And as I understand, you have better than 1,700,000 members at the present time. And as a result of this tremendous growth in membership, NEA has a direct contact with some 45 million young people throughout our 50 States. And I congratulate NEA on this fine record, not only of growth but constructive influence with the younger people over a good many years.

This morning, I would like to take a very few minutes to indicate some of the steps that we're taking, not only to expand the dialog with educators and educational institutions but to point out some of the things that we're trying to do under the current circumstances.

Over the 9 months that I've been President, I've met with a number of groups of educators, and I have had the opportunity of meeting with educators individually as a part of other groups. And I can assure you that Secretary Weinberger, Assistant Secretary Trotter, and Commissioner Bell will continue their efforts, and I will be delighted to do so myself.

I'm very proud of the fact that the first piece of legislation that I signed upon becoming President was the education amendments act of 1974. This legislation should strengthen our educational system in many, many ways, and it certainly is a commitment to our continued efforts of excellence in education.

I personally would like to see classroom teachers have a larger voice in Federal policymaking. I would like to see more teachers serving in national advisory councils and commissions, and I will instruct the Commissioner of Education to obtain nominees from your organizations for such appointments.

If I might interject a personal comment here, I have found that there is a tendency, not just in education but in other areas, to have a repetition of individuals who serve on one commission or another be reappointed or appointed to other groups.

Out of 213 million Americans, we must have a lot of talent that can be drawn upon and used in a wide variety of ways, and instead of having the same names and the same faces, I think we can broaden this effort and draw on this great reservoir that does exist in all 50 States.

I know that Commissioner Bell in this particular case has discussed the situation with you and, although I can't pinpoint at this very moment any particular openings, I can assure you that we will make an honest effort, and we will get some results.

You, I think, know even better than I that there is a great deal of work to be done in the field of education. With declining school enrollments for the past 3 years and the projected declines that we see ahead, it will be vitally important

for us to turn our best attention to what might be done to provide employment opportunities for teachers.

In addition, I have supported the bilingual education program and the education of the handicapped program. These are two areas where I think we have to put some special emphasis. Additionally, 25 percent of the revenue sharing funds, according to the statisticians, have been sent to State and local governments and have gone to education either directly or indirectly.

And we're also, in this Administration, putting together our proposals for a new vocational education bill that should strengthen that aspect of our total education system. We've been emphasizing the need to build a stronger working relationship between education on the one hand and the world of work on the other. One of the first speeches I made on becoming President was at Ohio State University—and whenever anybody from Michigan says that, they think of some of those whippings we've taken—[*laughter*]*—*but anyhow, that particular theme or thrust is something that I think we have to emphasize, and we will.

And I was pleased to see a new career education law that was passed with the support of this Administration and with the funding of this Administration. Now, you have heard from both John Dunlop and Frank Zarb in their particular fields. Of course, we do have other problems that are of a serious nature—*inflation, the recession—but I am confident—and there are some bright clouds beginning to appear—that we can get our economy moving. And once that is done, I hope to take some new and major initiatives in education at the Federal level.*

For instance, one of the great needs in this country today is to have parents who understand how to help their own children grow and mature and develop to the fullest potential. The Administration is already supporting some pilot projects to develop and test curriculum materials for teaching high school youngsters how to foster intellectual growth and moral development in pre-school children, of course, anticipating the day when they themselves will become parents.

Such materials are also being developed for parents of young children. A TV pilot program will soon be developed to foster such skills in the parents of young children. As courses in more effective parenting become widespread, this will, of course, mean more teaching jobs.

I'm as concerned as you are that we strengthen our education system through a balanced program of local, State, and Federal funding. I was pleased to see the emphasis in the new Elementary and Secondary Education Act on Federal

assistance to strengthen State school finance and State equalization programs. I understand that Commissioner Bell is now preparing the guidelines and the standards for the implementation of this program. The new law touches the impact aid formula as well as providing another section to encourage and to support studies of school finance formulas in all 50 States.

In the budget which I submitted to the Congress for fiscal year 1976, for elementary and secondary education purposes we recommended a 50-percent increase over a budget that was submitted in 1969. I know there are people in this group and perhaps others who don't think that's enough. But I think it is helpful to put some of these figures in perspective as we try to find a proper way to adequately fund, at the Federal level, the contribution of the Federal Government to education.

Let me assure you—and I have told your president—that I and my Administration want to work with NEA. Your advice, your assistance will be welcome.

I've been around this town long enough to know that you can't always agree, but I think a dialog is helpful. And the door will be open not only to Commissioner Bell and his associates but will be open as far as the White House is concerned.

We want to establish closer ties between NEA and my Administration. And if we do have this dialog, this understanding, I think we can strengthen education in all 50 States.

Thank you very kindly.

NOTE: The President spoke at 10:55 a.m. in Room 450 at the Old Executive Office Building. In his remarks, he referred to William J. Baroody, Jr., Assistant to the President for Public Liaison; James

Harris, president of the association; and Virginia Y. Trotter, Assistant Secretary for Education, and T. H. Bell, Commissioner of Education, Department of Health, Education, and Welfare.

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Remarks Upon Presenting the Harmon International Aviation Trophies. May 2, 1975

Senator Goldwater, trustees and the advisory committee of the Harmon Trophy Commission, distinguished guests, ladies and gentlemen:

I'm very, very honored this morning to add my name to the list of Presidents, as well as Vice Presidents, who have presided at Harmon Aviation Award ceremonies.

The Harmon Awards, as many of you know, were founded in 1926 by the late Colonel Clifford Harmon, a pioneer in American aviation as an American

balloonist. The awards are for outstanding feats of individual pilot skill, worthy of international recognition, contributing to the art and the science of flight.

In addition to Americans, the pilots of six other nations have won Harmon Awards—Italy, Britain, France, Germany, Norway, and Switzerland.

Colonel Harmon, in 1908, was the first pilot to fly across Long Island Sound, some 25 miles. He also set, during his career, several altitude records for his day. By contrast, two of today's awards involve a round-trip Middle East flight—some 13,000 miles—and a flight from Formosa to Scott Air Force Base in the State of Illinois, almost 9,000 miles.

The humanitarian role of today's aviators, including the piloting of helicopters and big airlift missions, are often vital to life. Without our brave American pilots, we would have witnessed, unfortunately, greater tragedy in the recent evacuation in Vietnam and in Cambodia. We sometimes forget the humanitarian aspects of aviation and the dedication of the pilots who are involved. If it were not for Colonel Harmon, we would probably not be flying oceans today. He is a true hero of America's progress in aviation.

It is now my honor to present the 1974 Harmon International Aviation trophies to a half dozen new heroes—three astronauts, an aeronaut, and an aviator—as well as the winner of the 1973 Harmon Aviator's Trophy.

First, the 1974 Astronauts' Trophy: to the crew of Skylab II, the first astronauts in the history of space flight to accomplish major repairs successfully on a space vehicle during a mission itself.

The flight took place between May 25 and June 23, 1973. Skylab II was launched and made a successful rendezvous with Skylab I, whose aluminum shield had ripped free, damaging solar cells for converting sunlight to energy. The crew's repair allowed Skylab I to conduct 80 of its scheduled 100 hours of extensive medical experiments in orbit.

The trophy is awarded jointly to U.S. Navy Captain Charles Conrad, Jr., now retired from the Navy; Captain Paul J. Weitz, U.S. Navy; and Captain Joseph Kerwin, U.S. Navy.

May I congratulate each one of you.

CAPTAIN CONRAD. *Mr. President, Senator Goldwater, ladies and gentlemen:*

It is the great honor of the Skylab II crew—Joe, Paul, and myself—to accept this trophy in honor of Mr. Harmon.

Thank you.

THE PRESIDENT. The 1974 Aeronaut's Trophy is awarded to Malcolm S. Forbes for a series of 21 flights in a hot air balloon which crossed the American

Continent from Coos Bay, Oregon, to Gwynn Island, Virginia, more than 2,500 miles.

His son, Steve Forbes, is here to accept the award. Steve?

MR. FORBES. *Mr. President, Senator Goldwater, ladies and gentlemen:*

On behalf of my father, we thank you very much and accept this award with much appreciation and gratitude.

Thank you.

THE PRESIDENT. Now, the 1974 Aviator's Trophy: to a pilot who flew a C-5 airlift mission some 13,000 miles, round-trip, from the United States to Israel. In addition, between October 14 and November 14, 1973, he personally directed, virtually without interruption, the operation of 15 C-5's and 417 C-141's from the United States to the Azores and on to Israel.

The winner of the 1974 Aviator's Trophy is Colonel Edward J. Nash, Deputy Chief of Staff for Operations of the 21st Air Force. Colonel Nash?

COLONEL NASH. *Mr. President, Senator Goldwater, ladies and gentlemen:*

On behalf of the dedicated men and women of the United States Air Force, I humbly accept this recognition.

Thank you.

THE PRESIDENT. Now, the 1973 Aviator's Trophy for piloting an HC-130H aircraft of the 57th Aerospace Rescue and Recovery Squadron of the United States Air Force, nonstop, on February 20, 1972, from Taiwan to Scott Air Force Base in Illinois—a total of 8,732 miles—without refueling. This established a record for the longest flight in a straight line, without a landing, in a turbo-prop aircraft.

Winner of the 1973 Harmon Aviator's Trophy is Lieutenant Colonel Edgar L. Allison.

COLONEL ALLISON. *Mr. President, Senator Goldwater, ladies and gentlemen:*

I would like to echo Colonel Nash's comments and specifically and especially thank the other 11 gentlemen that were with me on the flight.

Thank you.

THE PRESIDENT. Let me simply conclude by offering again my personal congratulations to all of these highly trained, completely dedicated men who have added another page of history in the area of aviation for the benefit of all mankind.

Congratulations.

NOTE: The President spoke at 12:06 p.m. in the Rose Garden at the White House.

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Remarks at the U.S.S. *Nimitz* Commissioning Ceremony in
Norfolk, Virginia. May 3, 1975

Thank you very much, Mr. Secretary. Distinguished Members of the Congress, Secretary Middendorf, Admiral Holloway, Admiral Cousins, Captain Compton, Mrs. Lay, distinguished guests, ladies and gentlemen:

At the outset, let me thank the Secretary of Defense for his more than generous comments, and let me simply reiterate the theme that he set forth. We are strong, we will continue to be strong, we will keep our commitments, and we will remain a great country.

As each of us looks upon this great ship, a single thought must seize our minds: Only the United States of America can make a machine like this. There is nothing like her in the world today. We have witnessed the magic moment when an intricate mass of steel and cable and sophisticated marvels of engineering suddenly become a living thing with a unique personality.

No matter how many commissionings you take part in, breaking the pennant and setting the first watch involves a special reward for all of us who love the sea and the United States Navy. I thank you very much, Captain Compton, and all of the ship's company for the privilege of being here.

The *Nimitz* is now a United States Ship. I congratulate all who helped build her and all who man her, as well as their loved ones who—as many of you know better than I—will do a lot of waiting for the sake of our country and of freedom everywhere. Their allegiance and their service to the country is also in the very best tradition of this great Nation.

We all regret that Mrs. Chester W. Nimitz, Sr., cannot share this proud hour with all of us, but I am happy that Mrs. Lay and other members of the admiral's family are here. It is also gratifying to have Admiral Rickover here, for without these two farsighted submariners, Fleet Admiral Nimitz and Admiral Rickover, we would have no nuclear Navy.

Few of us remember that it was Admiral Nimitz, as he was completing his career as Chief of Naval Operations in 1947, who recommended to the then Secretary of the Navy that the Bureau of Ships and the new Atomic Energy Commission get together to design and to build a nuclear propulsion plant for a submarine. Admiral Rickover took it from there.

I see this great ship as a double symbol of today's challenging times. She is first of all a symbol of the United States, of our immense resources in materials

and skilled manpower, of our inexhaustible energy, of the inventive and productive genius of our free, competitive economic system, and of our massive but controlled military strength.

Wherever the United States Ship *Nimitz* shows her flag, she will be seen as we see her now, a solid symbol of United States strength, United States resolve—made in America and manned by Americans. She is a movable part and parcel of our country, a self-contained city at sea plying the international waters of the world in defense of our national interests. Whether her mission is one of defense, diplomacy, or humanity, the *Nimitz* will command awe and admiration from some, caution and circumspection from others, and respect from all.

There is no need for me to dwell on the importance of aircraft carriers in today's and tomorrow's defense planning—though as an old carrier man myself, I might like that role. During recent days, I think it is worthy to note, we have seen the most convincing demonstration of their readiness and their flexibility in the successful execution of national policy.

Without the five aircraft carriers which served as the nucleus of our forces operating off South Vietnam, without the skill and the heroic performance of Marine Corps and naval aviation and support personnel, without the Air Force helicopter crews who operated from the carrier decks, we could not have rescued all of the remaining American citizens and thousands of endangered Vietnamese from Saigon within 20 hours. And I congratulate, on behalf of all of you, the work that was done on that occasion.

The *Nimitz* joins the fleet at an auspicious moment when our determination to strengthen our ties with allies across both great oceans and to work for peace and stability around the world requires clear demonstration. Along with our other forces worldwide, the *Nimitz* will make critically important contributions in our continuing quest for a peaceful planet, a planet whose surface is more than 70 percent ocean.

As I see the United States Ship *Nimitz* as a symbol of the vast power, the protective or productive skill and economic strength of America, so will others around the world. To all, this great ship is visible evidence of our commitment to friends and allies and our capability to maintain those commitments. But for Americans, especially, she is also a symbol of the man whose name she bears.

The grandson of a seafaring German immigrant, who grew up in the great State of Texas and never lost his pride in his native State, Chester W. Nimitz started from the smoke of Pearl Harbor and carried the fight to the enemy. His superb leadership and the valor of more than 2 million American fighting men culminated on the deck of the U.S.S. *Missouri* 4 years later, as he signed the

Japanese surrender as commander in chief of the largest naval armada ever assembled.

Looking back on a period of my own life, one of the things of which I am the proudest is that I can say, "I served under Admiral Nimitz in the Pacific."

As a lowly lieutenant on the U.S.S. *Monterey*, a carrier you could probably stow on the hangar deck of the *Nimitz*, I saw very little of fleet admirals during World War II. But every watch officer could recognize the crisp CINCPAC [Commander in Chief, Pacific] dispatches that Admiral Nimitz obviously had written in his own hand.

One biographer who did not know him—or who, I should say, did know him—Professor E. B. Potter of the Naval Academy, summed up Admiral Nimitz' qualities in simple words that well serve as a model for anyone who aspires to leadership in any line of endeavor. And I quote from Professor Potter: "He surrounded himself with the ablest men he could find and sought their advice, but he made his own decisions. He was a keen strategist who never forgot that he was dealing with human beings, on both sides of the conflict. He was aggressive in war without hate, audacious while never failing to weigh the risks."

Admiral Nimitz, of all the great American commanders of World War II, was one of the most self-effacing and, certainly, one of the most effective. He possessed great stamina, an abundance of common sense, and such immense inner strength that he felt no need to strut or to shout.

Born near what today we would call the poverty level, he worked hard, he studied hard, and was a long, long time getting ahead. He spent his whole life training to serve his country in commanding men at sea, and when he was needed, he was prepared. He learned by his mistakes and was tolerant of others, but he was always in command.

Those who had the good fortune to know Admiral Nimitz will say his fundamental honesty, intellectual honesty and integrity, enabled him to keep a steady course toward his ultimate objective without yielding to the tremendous pressures of his vast responsibilities. He did the job he was prepared to do, did it superbly, hung up his sword and filled his final years with quiet service to his country and to the cause of peace.

Repeatedly urged to write his wartime memoirs, Admiral Nimitz just as repeatedly refused. To do so, he explained, would compel him either to hurt the reputations of some fine shipmates or tell some whopping lies.

His own philosophy, in his own words, has long been a personal inspiration to me. Typically, he credited it to his seafaring grandfather. "The sea, like life

itself is a stern taskmaster," he recalled. "The best way to get along with either is to learn all you can, then do your best, and don't worry—especially about things over which you have no control."

So, this great ship is a symbol of a great sea commander and a great American, one whose common virtues—magnified by the stern demands of duty—turned defeat into victory and made the broad Pacific again worthy of its name.

It is my determination to keep it that way, the way all oceans and all continents ought to be. But Fleet Admiral Nimitz and this fine ship both tell us that controlled strength is the sure guarantor of peace. Let us all—and particularly those who serve in the United States Ship *Nimitz*, now and hereafter—rededicate ourselves to this principle and to unstinting service to our country and to its people.

Good afternoon, and Godspeed.

NOTE: The President spoke at 11:44 a.m. at Pier 12 at the Norfolk Naval Air Station. In his opening remarks, he referred to J. William Middendorf II, Secretary of the Navy; Adm. James L. Holloway III, Chief of Naval Operations; Adm. Ralph W.

Cousins, Commander in Chief, U.S. Atlantic Fleet; Capt. Bryan W. Compton, Jr., commanding officer of the U.S.S. *Nimitz*; and Mrs. Catherine Lay, daughter of Fleet Admiral Nimitz.

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Remarks at the Annual Dinner of the White House Correspondents Association. May 3, 1975

Thank you very much, Helen—Madam President. Members and guests of the White House Correspondents Association:

Let me say to Danny, I am deeply grateful for a fine evening, and to Marlo as well. We will have to work a little on her, I think, Danny. [*Laughter*]

But let me say I do appreciate the rather gentle and kind introduction, because Helen, as all of you know, has a well-earned reputation for speaking her own mind. I can remember several years ago, when I was still a Congressman, Helen and I were walking down Pennsylvania Avenue when we passed one of those scales that gives you your weight as well as your fortune—and all for a penny.

Helen said, "Well, why don't you try it. I might get a scoop." So, I got on the scale, put in a penny, a card came out that said, "You are handsome, debonair, sophisticated, a born leader of men, a silver-tongued orator, and some day you will make your own mark in history." Helen leaned over, looked at the card and said, "It has your weight wrong, too." [*Laughter*]

Really, it's a great pleasure to be here, and without further delay let me con-

gratulate the distinguished members of the White House Correspondents Association on your valiant, courageous, and successful struggle to achieve one of the greatest and most consequential journalistic triumphs of all time. I am referring, of course, to your heroic efforts to keep the press plane from converting to no frills. [*Laughter*]

I don't know how you spend your time on the press plane. All I know is that every time I call it I say, "This is the President calling," and a voice answers, "I'll drink to that, too." [*Laughter*]

I knew something was going on when I saw Dick Growald write 10 pages of notes at my Tulane speech, and that isn't easy with a swizzlestick. [*Laughter*] Then Aldo Beckman came over and said hello and melted my cufflinks. [*Laughter*]

Betty and I have looked forward to this evening, because the White House Correspondents dinner is always an adventure. First, there is the reception, followed by the dinner, followed by the private parties, followed by the private, private parties, followed by the nightcap after the private parties. Through the years, I've found that a White House Correspondents dinner is a little like one of Sarah McClendon's questions. You never really know when it's finished. [*Laughter*]

I have been coming to these dinners for quite a few years now, and I am embarrassed to admit I don't really know a great deal about how the White House Correspondents Association operates. But since I am always interested in the electoral process, I asked Jim Deakin, "Just how do you go about choosing your president and vice president?" Jim said, "It's rather hard to explain in a few words, but the procedure does have the seal of approval." I said, "Of what?" He said, "Cook County." [*Laughter*]

Incidentally, you may be interested to know that Ron Nessen's fame as a press secretary and his unparalleled skill at carrying out the duties of his office has spread far and wide. Last week at the Columbia School of Journalism in New York City, 50 graduate students were asked this question: "If you had the chance to study the art of the simple, direct communication with Ron Nessen, what would you ask for first?" Ninety-six percent answered, "Another chance." [*Laughter*]

Another member of our staff has also achieved considerable recognition, David Hume Kennerly. The very first day Dave Kennerly came to the White House to be my personal photographer, he shook my hand and promised to do for me exactly what he had done for his last employer. I said, "Great." Then I remembered who he had worked for—Life. [*Laughter*]

As most of you know from the schedule, this has been a very long, busy, and exhausting day—as well as week—at the White House. I spent the morning working on my new book, “A Week in the Life of John Hersey.”¹ [*Laughter*]

Then, in the afternoon, I talked to Sonny Jurgensen. Now that he is no longer with the Washington Redskins, I suggested to Sonny that he run for Congress. I figure if there is one thing that Congress can use, it is a little help in passing. [*Laughter*]

You know, we are also redecorating. I am sure you have all noticed that the White House is getting a new coat of paint. The painter says it is leak-proof. I sure hope so. [*Laughter*]

But I do have one favor to ask of all the White House correspondents sitting here tonight. Every few years we do have to paint the White House. It is done for reasons of maintenance, aesthetics, and appearance. So please, would you just refer to this as a paint job, not a coverup? [*Laughter*]

Now, before I do close, I would like to make a few acknowledgements, if I may. I want to thank Martin Agronsky for giving Pete Lisagor the night off. Peter, as you know, is one of Washington’s foremost television personalities. It’s not unusual for him to be on five or six shows a week, in addition to lectures, talks, and personal appearances. And every time he appears he gets an enormous amount of fan mail. Pete was telling me that just this morning he got a postcard saying, “Having a wonderful time. Wish you were here.” It was from the Chicago Daily News. [*Laughter*]

This has been a wonderful evening for Betty and for me, and we thank you all for it. You know, there is a great deal written and said about the First Family. This designation usually refers to Betty, to me, one daughter, and three sons. But to me, it doesn’t have this very limited connotation.

I see the First Family as an extended family, one that draws in and includes all of the men and women who make the White House a living, breathing, and functioning body. It encompasses a handful of Fords, completely and comfortably surrounded by staff and press alike.

We are not just Jerry, Betty, Susan, Jack, Steve, and Mike, but Bob, Helen, Ron, Frank, Fran, and a few hundred others as well. We work together. We laugh together. We exchange ideas, facts, and speculations. We interact. We cannot function well without each other. This is the stuff that families are made of, and like all families, we have our disagreements. We take in and assimilate individual

¹ The President was alluding to an article by John Hersey which appeared in the April 20, 1975, New York Times Magazine. The article covered the President’s day-to-day activities for the week beginning March 10.

attitudes, concerns, information, interests. Then we shine the spotlight of our unique perceptions on each problem, each new challenge.

Your spotlight is not mine; mine is not yours. Sometimes we differ, but the essence and the glory of the true family is this: Decisions and conclusions may be questioned, but motivation and commitment are not. We speak our differences in trust. We accept that we are travelers heading towards the same destination; it's only the road that has to be determined.

This is the First Family I know we all want to be a part of. We have shared some of these feelings here tonight. We should never aspire to less.

Thank you and good night.

NOTE: The President spoke at 10:23 p.m. in the International Ballroom at the Washington Hilton Hotel. In his remarks, he referred to Helen Thomas, United Press International correspondent and president of the association; Danny and Marlo Thomas, who entertained at the dinner; Richard H. Growald of United Press International; Aldo H. Beckman of

the Chicago Tribune; Sarah McClendon of the McClendon News Service; James Deakin of the St. Louis Post-Dispatch; and Martin Agronsky of the Public Broadcasting Service and host of "Agronsky & Company," a weekly television news program on which Peter Lisagor of the Chicago Daily News usually appeared.

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Remarks Upon Presenting the Multiple Sclerosis Mother and Father of the Year Awards. May 5, 1975

LET ME, on behalf of the White House and all of the American people, give to you, Mrs. Smith and Mr. Flader, these two plaques from the National Multiple Sclerosis Society, plaques which recognize your courage and your real strength.

I think you both are a great symbol of what people can do despite difficulties and handicaps. We are all very proud of you, and we all are extending to you the very, very best.

I hope and trust that in the years ahead your example will be one for all to follow.

NOTE: The President spoke at 1 p.m. in the Oval Office at the White House. He presented the awards

to Mrs. Merrill Smith of Spokane, Wash., and Robert Flader of Virginia Beach, Va.

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Statement on the Death of Ambassador Kenneth B. Keating.
May 5, 1975

KEN KEATING was an outstanding public servant and an old and valued friend. He was my colleague in the Congress from New York State for 9 years, and then went on to serve with distinction in the United States Senate.

With the conclusion of his Congressional years, Ken began another distinguished career, this time as a diplomat, ably representing America as Ambassador to both India and Israel. His integrity, dedication, and devotion to duty made him a most valued public servant.

As United States representative in Tel Aviv for the past 2 years, Ambassador Keating has played a critical role in the formulation and execution of our policies in the Middle East. He was known by both Americans and Israelis for his statesmanship, his gentle grace, and his commitment to peace.

Seldom has one man led a more versatile or useful public life. Mrs. Ford joins with me in condolences to his family.

NOTE: Ambassador Keating served in India from 1969 to 1972 and in Israel from 1973 until his death on May 5, 1975.

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Remarks at a Ceremony Honoring Former Secretary of the Treasury George P. Shultz. *May 5, 1975*

Thank you very much, Mr. Secretary. Members of the Cabinet, friends of George Shultz:

It is a great pleasure and a real privilege for me to participate on this occasion honoring George and, of course, Obie as well.

I'm here because I've had the benefit of the friendship of George Shultz. I'm here because I think George Shultz has made a tremendous contribution, over a long period of time, to good government, and obviously, he represents the finest kind of citizenship. Over a period of about 10 years, George has served more than one President in the fields of education, in the fields of labor-management relations, in the area of economics.

I was interested in reading George's biography. It tells the story, at the age of 12, George published a homemade newspaper. And after he got it put together, he tried to sell it to a neighbor. The neighbor asked him what the price was.

According to the story, George said, "Five cents." And the neighbor asked him, "Well, if I can buy the Saturday Evening Post for 5 cents, why should I buy your newspaper?" Well, I have researched it very, very extensively and have found that's the only time in George's career he didn't have a good answer. [Laughter]

But you know George. During this period of time that I have known him, he served as Secretary of Labor, he served as Director of the Office of Management and Budget, he served as the Secretary of the Treasury. And then I found that at one time, he served as Adviser to the Cabinet on agricultural matters. Adviser to the Cabinet on agricultural matters—doesn't that bring back to your mind the memorable statement he made a year or two ago, when he told Laird to keep his cotton-picking hands off the economy? [Laughter]

Well, I am just honored to be here as a friend of George's, as an admirer. I think he represents the finest kind of service to the Government, the finest kind of dedication to the country. And, Bill, in giving to George Shultz the Alexander Hamilton Award, I think you reflect the view that all of us have in George Shultz as the epitome of what we would all like a person in government service to have.

Most of all, George, I am delighted to be here as a friend. And may I say this in a personal way: Any person who likes to play golf and any person who smokes a pipe and any person who played football just can't be all bad. [Laughter]

NOTE: The President spoke at 6:10 p.m. in Room 4121 at the Treasury Department. Following his remarks, Secretary of the Treasury William E. Simon presented Mr. Shultz with the Alexander Hamilton Award in recognition of his outstanding and unusual

leadership in the work of the Treasury. A portrait of Mr. Shultz was also unveiled at the ceremony.

In his remarks, the President referred to Mr. Shultz' wife, Obie, and Melvin R. Laird, Counsellor to the President 1973-74.

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Message to the Congress Transmitting Report on United States Laws and Regulations Governing Nuclear Exports and Safeguards. May 6, 1975

To the Congress of the United States:

In accordance with Section 14 of Public Law 93-500, the "Export Administration Amendments of 1974", I am forwarding to the Congress a report on U.S. laws and regulations governing nuclear exports and on domestic and international safeguards. This report considers the effectiveness of such laws and

safeguards in preventing the diversion of nuclear capabilities to nonpeaceful purposes.

I have concluded that current laws provide ample authority to control the export and reexport of nuclear-related material, equipment and technology. Nevertheless, existing policies and regulations are constantly being reexamined and changed as appropriate. Domestic safeguards are under continuing review for the purpose of making them even more effective. The international safeguard system will detect and thus help to deter efforts to divert such materials by other nations.

As the volume of material and the nature of facilities grow in the world, commensurate increases and improvements in the international safeguarding system will be needed. The United States is encouraging the strengthening of international safeguards by aiding and supporting IAEA safeguard development efforts. It is also seeking to enhance physical security through the adoption of an international convention. The U.S. is taking the lead in advocating in-depth physical protection measures necessary to preclude terrorist groups from capturing such material or conducting sabotage activities.

I wish to assure Congress that the prevention of the proliferation of nuclear weapons or the acquisition of nuclear explosive materials for possible nonpeaceful uses is a priority concern in my Administration. Whatever efforts are needed to allow the U.S. and other countries to enjoy the benefits of nuclear power, without fear, will be taken by the Government of the United States.

GERALD R. FORD

The White House,
May 6, 1975.

NOTE: The report is entitled "Presidential Report to the Congress Regarding Laws and Regulations Governing Nuclear Exports and Domestic and In-

ternational Safeguards—March 31, 1975" (98 pp. plus annexes).

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Statement on the Death of József Cardinal Mindszenty. *May 6, 1975*

JÓZSEF CARDINAL MINDSZENTY stood for courage, integrity, and unfailing faith. In his long life, he fought against tyranny wherever he encountered it.

There was an heroic quality about him that marked this man as a crusader for liberty as well as a man of spiritual contemplation.

His deep faith made him an inspiration not only to the Hungarian people he served and loved but to all those who value virtue, truth, and strength of will.

Cardinal Mindszenty will be missed. He will not be forgotten.

NOTE: Cardinal Mindszenty was Primate of Hungary from 1945 to 1971.

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The President's News Conference of

May 6, 1975

THE PRESIDENT. Good evening. Miss Thomas [Helen Thomas, United Press International].

VIETNAM CONFLICT

[1.] Q. Mr. President, what are the lessons of Vietnam in terms of the Presidency, the Congress, and the American people—in terms of secret diplomacy and fighting a land war in Asia? And also, would you welcome a Congressional inquiry into how we got in and how we got out of Vietnam?

THE PRESIDENT. Miss Thomas, the war in Vietnam is over. It was sad and tragic in many respects. I think it would be unfortunate for us to rehash allegations as to individuals that might be to blame or administrations that might be at fault.

It seems to me that it's over. We ought to look ahead, and I think a Congressional inquiry at this time would only be divisive, not helpful.

Q. Mr. President, may I ask you, then, don't you think we can learn from the past?

THE PRESIDENT. Miss Thomas, I think the lessons of the past in Vietnam have already been learned—learned by Presidents, learned by Congress, learned by the American people. And we should have our focus on the future. As far as I'm concerned, that is where we will concentrate.

Miss Lewine [Fran Lewine, Associated Press].

THE MIDDLE EAST

[2.] Q. Mr. President, your forthcoming meetings with Egyptian President Sadat and Israeli Prime Minister Rabin—do they represent the beginning of a new American-led negotiation in the Middle East toward a peace settlement?

THE PRESIDENT. They do not represent a new negotiating process. I am meeting with President Sadat and Prime Minister Rabin for the purpose of getting from them any recommendations they might have as to how we can maintain the peace in the Middle East, how we can come to some final settlement that will be beneficial to all of the parties.

We are in the process of reassessing our Middle East policy, and they can make a very valuable contribution with their on-the-spot recommendations.

Q. Mr. President, do you now see any hopeful signs that there is any movement there off dead center?

THE PRESIDENT. I am always optimistic. I believe that the leaders of all of the countries, both Arab and Israeli as well as others, recognize the seriousness of any new military engagement in the Middle East and the ramifications that might come from it.

So, I'm optimistic that as we try to move ahead, aimed at avoiding a stalemate, avoiding stagnation, that we can work with other countries in order to ensure the peace and a settlement that will be satisfactory to all parties.

VIETNAMESE REFUGEES

[3.] Q. Mr. President, you have been reported as being "damn mad" about the adverse reaction of the American people to the Vietnamese refugees. I would like to ask you, how do you explain that reaction? What in your judgment is the cause of that?

THE PRESIDENT. Mr. Lisagor [Peter Lisagor, *Chicago Daily News*], I am primarily very upset, because the United States has had a long tradition of opening its doors to immigrants from all countries. We are a country built by immigrants from all areas of the world, and we have always been a humanitarian nation. And when I read or heard some of the comments made a few days ago, I was disappointed and very upset.

I was encouraged this afternoon, however. I understand that the executive committee of the AFL-CIO passed a resolution urging that the United States open its doors and make opportunities available for the South Vietnamese who have been driven or escaped from their country.

I understand that the American Jewish Committee has likewise passed a resolution this afternoon, endorsing the policy of making opportunities available in the United States for South Vietnamese. And I am very proud of those Governors like Governor Pryor of Arkansas, Governor Askew of Florida, Governor Longley of Maine, Governor Evans of Washington, Governor Ariyoshi

of Hawaii as well as Mayor Alioto, who have communicated with me and indicated their support for a policy of giving the opportunity of South Vietnamese to come from this country to escape the possibility of death in their country under the North Vietnamese and the Vietcong, and individuals who wanted an opportunity for freedom.

I think this is the right attitude for Americans to take, and I am delighted for the support that I have gotten.

Q. Could I follow that and ask you why, in your judgment, is there such a widespread adverse reaction to this?

THE PRESIDENT. I understand the attitude of some. We have serious economic problems. But out of the 120,000 refugees who are either here or on their way, 60 percent of those are children. They ought to be given an opportunity. Only 35,000 heads of families will be moved into our total society.

Now, I understand people who are concerned with our economic problems. But we have assimilated between 50 and 100,000 Hungarians in the mid-fifties, we have brought into this country some 500 to 600,000 Cubans. They have been good citizens, and we ought to welcome these people in the same way. And despite our economic problems, I am convinced that the vast majority of Americans today want these people to have another opportunity to escape the probability of death, and therefore, I applaud those who feel that way.

1976 PRESIDENTIAL CAMPAIGN

[4.] Q. Mr. President, I'd like to ask a political question. What steps have you taken so far toward the creation of a campaign organization in 1976? And if you haven't taken any steps, what steps do you plan to take in the future? And when do you plan to take them?

THE PRESIDENT. Within the last week, a group headed by Dean Burch have indicated that they would like to get started in a very informal way to kick off a campaign at the proper time. This group is meeting within the next few days. I understand they expect to get a great many more who will join them.

The precise time when we will take the formal step to declare my candidacy has not yet been determined, but I would only reiterate my intention to become a candidate.

Q. Mr. President, you have said many times that you intend to become a candidate, and yet there seems to be continual skepticism in some quarters of your own party that you really will be. Why do you think that skepticism has endured?

THE PRESIDENT. I'm surprised myself that there is any skepticism. I know my intention; I have said it repeatedly, as you have indicated. I intend to be a candidate. I believe that I have the best opportunity to solidify the Republican Party, getting strength from both the right as well as the left within the Republican spectrum and to put on a good campaign against the individual that the Democratic Party nominates.

There should be no skepticism about my intention. I will be at the proper time a candidate in a legal sense, and no one should feel otherwise.

Q. Mr. President, if I could follow that up, sir. Will you this year be going out and speaking at Republican gatherings, doing the kind of political things that Presidents often do in the year before they run for election?

THE PRESIDENT. I undoubtedly will make an effort to help the Republican Party. I think that is a proper function for a President. I did it a week or so ago for the Republican Party in the State of Virginia, and I will do similar activities in the future. But that effort will be aimed at helping the party. We need a strong two-party system, and I have a responsibility to try and help the Republican Party.

Miss McGrory [Mary McGrory, Washington Star-News], may I congratulate you on your Pulitzer Prize, and I am delighted to recognize you.

CLEMENCY PROGRAM

[5.] Q. Thank you very much, Mr. President.

I was wondering if, now that the war is over for everybody and we are admitting many thousands of Vietnamese, including, we are told, some young men who did not obey their country's draft laws, have you reconsidered your position on amnesty towards young Americans?

THE PRESIDENT. Miss McGrory, about 6 months ago, I initiated a program under former Congressman Charles Goodell and a group of eight others to grant relief, or amnesty to some 120,000 individuals who were either deserters or did not comply with the Selective Service laws.

As I recollect, up to a week or so ago, approximately 30,000 out of that group had applied. I assume that most of them will have a change in their status. I hope so. And therefore, I have taken, I think, a step that was right. It is a good program, and I just wish that more had taken advantage of it.

At the present time, we are in the process—or they, the Commission are in the process of handling the applications. I hope they will expedite and be very generous in their consideration of the records of those who have applied.

There is always a chance in the future if the facts justify it.

VIETNAM CONFLICT

[6.] Q. Even though the war is over, sir, there are many Americans who must still live with the agonies that it caused them. I speak primarily of those wounded and crippled and the families of those who died. In very human and personal terms, how would you speak to them about the sacrifices that were made?

THE PRESIDENT. Well, first, let me say very emphatically, they made a great sacrifice. The 56,000 that died and the countless thousands who were wounded—I honor and respect them, and their contribution was most significant. I think their contribution was not in vain.

Five Presidents carried out a national policy. Six Congresses endorsed that policy, which was a policy of our country. And they carried out that responsibility as a member of our Armed Forces.

I think we should praise them, congratulate them, and we have an unbelievable commitment to them in the future. All we can say is, thank you very much for what they have done for freedom.

FOREIGN POLICY

[7.] Q. Mr. President, you mentioned that you spoke to some Virginia Republicans the weekend before last, and at that time, you said that in 1976 we will have some excellent results in foreign policy. After the past few weeks, we can all use a little good news. Can you tell us just what you do expect in 1976?

THE PRESIDENT. Yes. I think between now and the end of 1976, we are going to make progress in the negotiations for a SALT II agreement. It hasn't been finalized, but the atmosphere is good. There is going to be some hard negotiating, but I will approach that important meeting with Mr. Brezhnev aimed at achieving results, and I think his attitude will reflect the same.

I think you are going to find a greater solidarity in Europe. I am going to Europe the latter part of this month to strengthen that solidarity and to work on a more unified position in solving our joint economic problems, in trying to solve the energy problems that are serious for all of us.

It is my judgment that we can move ahead even in the Pacific. We will have to not reassess, but assess how we can proceed. But it is my aim to tie more closely together South Korea with the United States, to reaffirm our commitments to Taiwan, to work more closely with Indonesia, with the Philippines, and with other Pacific nations. These are the kind of, I believe, forward movements in foreign policy that will be beneficial in the maintenance of peace.

Q. Mr. President, I would very much like to follow that up one second. Is your

job going to be complicated by what happened in Southeast Asia? You have gone out of your way in the past week or two to say the United States will honor its foreign commitments. What sort of private feedback are you getting from foreign capitals? Is there a lack of confidence now, a loss of confidence in the United States?

THE PRESIDENT. We do get reactions from foreign governments wondering what our position will be, asking where we will go and what our policy will be. We have indicated to our friends that we will maintain our commitments. We understand the perception that some countries may have as a result of the setback in South Vietnam. But that perception is not a reality, because the United States is strong militarily. The United States is strong economically, despite our current problems. And we are going to maintain our leadership on a worldwide basis. And we want our friends to know that we will stand by them, and we want any potential adversaries to know that we will stand up to them.

CENTRAL INTELLIGENCE AGENCY

[8.] Q. Mr. President, there have been persistent reports here in Washington that the Rockefeller Commission is looking into reports that somehow or the other, discussions of the assassination of Fidel Castro may have somehow triggered the assassination of John Kennedy. Can you tell us, is there any connection between those two events?

THE PRESIDENT. I cannot give you the inside information on the Rockefeller Commission, because I established it for the purpose of investigating the CIA and making any recommendations concerning it. It is my understanding that they are taking a very broad look. Until I get their report, I think it would be premature for me to make any comment as to precisely where they are going with their investigation.

Now, as a former member of the Warren Commission, a commission that I think did a good job—we found, as a Warren Commission, no connection of anything between Cuba and the United States. We found no evidence of a conspiracy, foreign or domestic.

ADMINISTRATION ACCOMPLISHMENTS

[9.] Q. Mr. President, after 8 years of a Republican in the White House, there probably will be a lot of people who next year will say it is time for a change. Now what accomplishments can you cite to rebut the argument that there should be such a change?

THE PRESIDENT. Well, I don't think there ought to be a change. I strongly believe that a continuation of the basic policies of the last 8 years will be good for America. And let me take a minute or two to talk about foreign policy.

A Republican administration ended the war in Vietnam. They withdrew 550,000 American military personnel. They brought back all of the POW's. The United States under a Republican administration took the first meaningful steps in trying to control nuclear arms, and I think we are going to have continued success in that area.

In the domestic area, we have gone through a difficult time, but when you look at the overall—a period of 8 years—I think domestically, there will be far more pluses than minuses. And therefore, it is my judgment that the American people—if we sell the program properly, we will have an excellent opportunity of prevailing in November of 1976.

Q. Mr. President, on the economic issue—I assume that is what you are saying here—but if the economy is at a low ebb next year, if unemployment is about what it is now, can you win?

THE PRESIDENT. I don't think the economic conditions in 1976 will be comparable to those today. I think we are at the end of the recession. I believe that we can look forward to some improvement economically in the third and fourth quarters of 1975, and they ought to improve in 1976. Therefore, in my judgment, we will be looking in the future towards better times at home and a good foreign policy abroad.

VIETNAM CONFLICT

[10.] Q. Mr. President, events in Indochina outran the deliberative process of the Congress, and you weren't given the clearly defined authority to use U.S. forces to evacuate there because of Cambodia and Vietnam. My question goes to the matter of whether it was a personal dilemma for you as Commander in Chief to use U.S. forces without the expressed concurrence of the Congress?

THE PRESIDENT. Our prime objective, of course, both in the evacuation from Phnom Penh in Cambodia and in Saigon was to bring all Americans out of both locations. Now, in the process it did appear to be wise, particularly in Saigon, to take out a number of South Vietnamese.

We did that because, number one, we felt that a number of these South Vietnamese had been very loyal to the United States and deserved an opportunity to live in freedom, and secondly, the possibility existed if we had not brought out some South Vietnamese, that there could have been anti-American attitudes developed that would have complicated the evacuation of our American per-

sonnel. So, I felt that what we did could be fully justified in not only evacuating Americans but evacuating some of the South Vietnamese who wanted to come to the United States.

Q. Mr. President, Secretary Kissinger said that all of the Americans who wanted to leave South Vietnam were evacuated, but there may be some reason to believe not all were evacuated. Some organizations, for example, report at least eight missionaries captured in the northern part of South Vietnam. So, I am wondering if there is some process to check this sort of thing out, and what could be done about it?

THE PRESIDENT. We certainly made a maximum effort to get every American out. We found in the last week, that on a certain day they could tell us that there were 1,000 Americans that were ready to come out, and we would take 3 or 400 out, and then the next day we would find that a number of other Americans had come into Saigon and wanted to get out.

So, we certainly made a tremendous effort to get all Americans out. I am sure there are some who are left. At this time, I can't give you the specifics as to how we will seek to get any Americans who are still there, but we will do all we can to achieve that result.

Q. Mr. President, you have praised Ambassador Graham Martin's record in Vietnam, and you have also defended the evacuation of Vietnamese civilians. Yet, there is some evidence that Mr. Martin's actions made it impossible for some Vietnamese to escape who were longstanding employees of the United States Government and others were evacuated on the basis of their ability to pay. Have you investigated any of these charges, and do you still believe that Ambassador Martin's record is one of effectiveness?

THE PRESIDENT. Because of the ability of Ambassador Martin to handle a tough situation—and it was very difficult—we got all Americans out and we got roughly 120,000-plus South Vietnamese.

Now, I am familiar with some individuals who are critical of the way in which Ambassador Martin handled it. I never had much faith in Monday morning quarterbacks or grandstand quarterbacks. I would rather put faith in the man who carried out a very successful evacuation of Americans and a tremendous number of South Vietnamese.

Rather than be critical of somebody who, I think, did a good job, I think we ought to praise him. If some of these people want to, in hindsight—who didn't have the responsibility—criticize him, I think we will accept it for what it's worth.

UNEMPLOYMENT

[11.] Q. Mr. President, there have been some references tonight to the economic situation. The overall unemployment rate is 9 percent, but among black teenagers and young black males and some other minority groups it is three times that. What plans do you have to cope with the social consequences of that kind of unemployment?

THE PRESIDENT. We are concerned about the unemployment of the youth, particularly, and the highest percentage, of course, of unemployment falls in the black youth group.

I submitted to the Congress about a month ago a request for \$450 million, as I recollect, to fund a young people's employment program for this coming summer. Now, unfortunately, the Congress hasn't approved that funding, and the steps that have been taken, I think, will hamper the possibility of getting that funding to meet this problem. And they have added about \$3 billion over and above extra funding that I don't think can be justified. If the Congress would approve the request that I made for roughly \$450 million, we would be in a position right now to do something about the problem that you raise.

Q. Mr. President, the record of recent years is that that kind of summer jobs and that kind of thing has not prevented what really is a chronic long-term problem of 30-percent unemployment among young minority groups. What I am really asking is this: A great many economists think that instead of coming out of this recession dramatically, we are just going to have a long period of stagflation where we don't have a really serious situation, but we don't have things very well, indeed, and this kind of chronic unemployment among minority groups just persists.

What I am trying to find out is: Other than summer jobs and that kind of thing, do you think this is really a serious problem that the United States ought to address and try to do something about? And if you do, what are your plans for it?

THE PRESIDENT. Yes, I think it is a serious problem, but the most important problem is to meet the present difficulty which begins with the end of the school year. And that is why I think the Congress ought to act quickly on the request that I made for summer employment.

Now, in the long run, the best way to get the young people properly employed in our economy is to have a healthy economy, not a government-dominated economy. I think we are in the process of coming out of the recession. I am optimistic in the future, and when we, in the third and fourth quarters

of this year, have the success that I think we are going to have, some of the problems will be answered that you have raised.

Mr. Jones [Phil Jones, CBS News].

CAMBODIA AND VIETNAM CONFLICT

[12.] Q. You apparently had some intelligence reports about a bloodbath in Cambodia. I am wondering if you can bring us up to date on anything in this area in Cambodia, and whether or not there is any report of a bloodbath in South Vietnam?

THE PRESIDENT. We do have some intelligence reports to the effect that in Cambodia, some 80 or 90 former Cambodian officials were executed, and in addition, their wives were executed. This is very hard intelligence; that is, I think, very factual evidence of the bloodbath that has taken place or is in the process of taking place in Cambodia.

Now, a turn to Vietnam. As you know, there is a very tight censorship in South Vietnam. The news that gets out is pretty heavily controlled by the North Vietnamese and by the Vietcong. So, we really don't have the same kind of hard evidence there that we have had in Cambodia in the instance that I have indicated.

But I think probably the best evidence of the probability is that 120,000-plus South Vietnamese fled because they knew that the probability existed that if they stayed, their life would be in jeopardy. That is the best evidence of what probably will take place.

Q. Mr. President, if I may follow up on this—you say you don't have any hard evidence. Do you have any report, any intelligence reports that indicate this is going on?

THE PRESIDENT. As of the moment, we have not.

VIEWS ON THE PRESIDENCY

[13.] Q. May I ask you something, sir, and simply a matter of style and nothing of substance. Reading Mr. Hersey, who has spent a week with you,¹ and reading others, you seem to be a kind of a peaceful, quiet man, a placid man. Do you ever get mad at people? Do you ever chew people out? Do you yell? Do you fire people? Do you kick people around?

THE PRESIDENT. I have learned to control my temper. I get very upset internally, but I have learned that that is not the best way to solve a problem. I do have occasional outbursts on the golf course, but in dealing with people I have

¹ See footnote 1, page 636.

found that the best way to meet a personnel problem or to handle a serious matter where a decision has to be made—that if you can keep cool, you can make a better decision. I have learned that over a long period of time.

Q. If I may follow up, sir. You were described as very angry about those rumors that you were going through a political charade and were secretly not going to run—this story in the news magazine a week or so ago. How did you express yourself?

THE PRESIDENT. Well, I didn't shout.

Q. They said you were "damn mad."

THE PRESIDENT. I didn't raise the devil with anybody. I simply indicated to my staff that the stories were totally untrue, which they are, and that no such meeting took place where such a policy was outlined by me.

I found the best way to handle the matter is to be very firm, very calm but very forthright, dealing not only with my staff but with others. I think they understand what I mean by the way I say it, but you don't have to shout to do it.

GUN CONTROL

[14.] Q. Mr. President, Attorney General Levi has proposed a banning of handguns in high crime areas, and the Justice Department says that the White House cleared that position before he made it clear. Does that represent an extension of your proposal that the "Saturday night specials" only be controlled?

THE PRESIDENT. Well, it is my understanding that the Attorney General, when he made that speech, indicated that this was an alternative way of meeting the problem created by Saturday night specials. It is my understanding that he did not recommend this as the way to handle the problem. I think it is a unique approach, and it is being discussed with the Department of Justice within our Domestic Council, but there is no firm decision on whether that approach or any other approach is the right way to meet the problem.

Q. Do you expect effective gun control legislation to be passed, and are you going to get behind effective control?

THE PRESIDENT. I am not going to recommend the registration of gunowners, and I am not going to recommend the registration of guns, or handguns, I should say. If we can find some responsible way to do it other than that approach, we certainly will consider them.

HOUSING

[15.] Q. Mr. President, a growing number of Americans, lower and middle class, are being priced out of the housing market. And now there is new evidence that mortgage rates may be turning around—indeed, the FHA has

increased its rate by half a percentage. Can you tell the American people tonight, makers of houses, potential buyers of houses—can you give them any assurance that in the next months, the next year or two, more housing will be available at relatively moderate prices and that interest rates will stay down?

THE PRESIDENT. The most encouraging development in the housing area is the fact that the inflow of deposits in the savings and loans has gone up very substantially. It is my recollection that in the last reported month, about \$4 billion in deposits flowed into savings and loans, and that over the last 3 months, it has been a very favorable inflow into the S & L's. This means, of course, that there is money available for home buyers, and it is my judgment that once we start the upturn from the present recession, that the consumer interest in buying homes will increase significantly and with the money available in the S & L's, I think, the prospects for an upturn in the housing industry are very encouraging.

Q. Do you approve the FHA increase, Mr. President?

THE PRESIDENT. I approve the increase, because if you are going to have FHA handling of mortgages, if you are going to have the government guarantees, they must be competitive with other interest rates. And I happen to think that an FHA loan or a VA loan—either are very good, and we want those competitive with the regular, conventional interest rates. And therefore, to make them competitive, I agreed with the decision.

MISS LEWINE. Thank you, Mr. President.

NOTE: President Ford's thirteenth news conference began at 7:31 p.m. in Room 450 at the Old Execu-

tive Office Building. It was broadcast live on radio and television.

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Memorandum on the Federal Cost Reduction Campaign.

May 7, 1975

[Dated May 6, 1975. Released May 7, 1975]

Memorandum for the Heads of Departments and Agencies

Success in the critical fight against recession and inflation requires the commitment and cooperation of each of us in this country. The 4.6 million Federal civilian and military personnel can play a major role in this effort by using their creative talents and skills to provide vitally needed Government services and programs as economically as possible.

During the past fiscal year, more than 197,000 civilian and military personnel

in Government were recognized under the Federal government awards programs and awarded over \$22 million for saving \$268 million through their constructive ideas and other achievements beyond job requirements. To emphasize the need for cost saving suggestions and improved productivity, a special cost reduction campaign will be conducted during the remainder of Calendar Year 1975. During the campaign, I ask that you bring to my attention the contributions of civilian and military personnel which result in first year measurable benefits of \$5,000 or more so that I may extend my congratulations to them by personal letter.

I urge that existing agency communications media be used to convey the attached message to members of your organization and that each of you find special ways to encourage and recognize those whose efforts result in significant cost savings. By enlisting the full support and creative talents of the Federal work force, I am confident that we can achieve needed economies within the Government.

GERALD R. FORD

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**Message to Federal Civilian and Military Personnel on
the Federal Cost Reduction Campaign. May 7, 1975**

[Dated May 6, 1975. Released May 7, 1975]

A VICTORIOUS campaign against the problems of recession and inflation requires individual discipline and ingenuity as well as the total mobilization of America's greatest resources—the brains, the skills, and the will power of our people. In this fight, it is vital that all Federal civilian and military personnel become actively involved in cost reduction and energy conservation efforts.

Each of you can make a personal contribution by submitting constructive ideas and working cooperatively to eliminate waste, improve equipment, streamline operations or make more productive use of time, facilities and energy resources. I have established a special cost reduction campaign within the framework of the Federal government awards program to encourage cost saving suggestions.

During the remainder of Calendar Year 1975, I will take special note of outstanding contributions of civilian and military personnel. I have asked to be informed of all suggestions, inventions and scientific and other contributions which result in first year measurable benefits to the Government of \$5,000 or

more so that I may add my personal thanks and congratulations in addition to the cash awards available to participants.

I strongly urge each of you to seek economies and other improvements within the Government while providing high quality services to the public. By working together, I am confident that Federal spending can be reduced and products and services improved.

GERALD R. FORD

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Statement on Terminating the Eligibility Period for Vietnam Era Veterans Benefits. May 7, 1975

TWO YEARS have passed since the last American troops left Vietnam. Shortly after our withdrawal, draft inductions were terminated. We established an all-volunteer armed force with the highest pay in history. For the first time, the Nation's youth could look to the military for jobs fully competitive with civilian job alternatives.

America is no longer at war. But peacetime military volunteers have remained fully eligible for all the wartime veterans benefits designed to reward those who entered service during the period of actual hostilities in Vietnam.

The time has now come to terminate wartime benefits which apply to the new peacetime volunteers. This is consistent with action taken by earlier Presidents in ending wartime veterans benefits after World War II and the Korean conflict.

Today, therefore, I have issued a proclamation [4373] terminating on May 7, 1975, the eligibility period for those Vietnam war benefits that the President is empowered by law to end. At the same time, I am submitting appropriate legislation to the Congress requesting the termination of the eligibility period for G.I. bill education and training benefits—an action that is solely the prerogative of the Congress.

These actions primarily concern future peacetime volunteers who are neither disabled nor die in service. I want to emphasize that the termination actions will in no manner impair the eligibility for full wartime benefits of the more than 7 million Vietnam era veterans already discharged, or those presently serving in our Armed Forces.

Future veterans disabled in service will continue to receive Veterans Administration compensation and other service-connected benefits on an absolute par

with present wartime benefits. Families of those who die in service will receive the same service-connected benefits available to families of veterans of wartime service.

The period between the cessation of hostilities and the termination of eligibility for wartime veterans benefits has already extended longer in the case of Vietnam than for any prior war. For virtually all of our World War I military personnel, the benefit eligibility period ended with the November 11, 1918, Armistice. For World War II veterans, eligibility was terminated on most benefits December 31, 1946, some 16 months after the surrender of Japan. A proclamation [3080] by President Eisenhower established a January 31, 1955, termination date for most of the Korean conflict benefits. The proclamation followed the signing of the Korean Armistice by 18 months.

I believe the actions I have taken today make an equitable distinction between those who serve in time of war and those who serve in time of peace. These actions also guard the Nation against unwarranted future expenditures and will result in cumulative savings of \$1.5 billion over the next 5 years after termination.

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Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation To Terminate the Eligibility Period for Vietnam Era Veterans Education Benefits. May 7, 1975

I AM transmitting today a proposed bill "To amend title 38, United States Code, to set a termination date for veterans educational benefits under Chapter 34 and 36 of such title, and for other purposes."

The bill would terminate the eligibility period for GI Bill education and training benefits for persons who will be entering peacetime voluntary military service on or after July 1, 1975.

I have today also issued a Proclamation which fixes the period of Vietnam service as beginning on August 5, 1964, and ending on May 7, 1975, for certain wartime benefits.

The effect of these actions is similar to those terminating wartime veterans benefits following the cessation of World War I, World War II, and the Korean War hostilities.

The Proclamation and this legislation would make an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the All-Volunteer Armed Forces. The termination actions will not affect the eligibility of the millions of Vietnam veterans already discharged, or those presently serving in the Armed Forces.

I urge the Congress to give prompt and favorable consideration to the draft bill.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate. The text of the draft legislation was included as part of the release.

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Special Message to the Congress Reporting on Budget Rescissions and Deferrals. May 8, 1975

To the Congress of the United States:

I herewith report one new proposed rescission and one new deferral as required by the Congressional Budget and Impoundment Control Act of 1974. In addition, I am transmitting one supplementary report which revises a deferral report made to the Congress in a previous special message. The details of the rescission and deferral reports are attached.

The proposed rescission would affect two programs of the Community Services Administration that duplicate several programs currently operating at Federal, State and local levels. The two deferrals are routine in nature and do not affect program levels in either case.

I urge the Congress to act promptly on this rescission and other rescission proposals now pending.

GERALD R. FORD

The White House,
May 8, 1975.

NOTE: The attachments detailing the rescissions and deferrals are printed in the Federal Register of May 16, 1975 (40 FR 21645).

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**Toasts of the President and Prime Minister Lee Kuan Yew
of Singapore. May 8, 1975**

WE ARE here, all of us this evening, to welcome to Washington the very distinguished Prime Minister and Mrs. Lee of Singapore, and we are delighted to have both of you here, Mr. Prime Minister and Mrs. Lee.

Regrettably, I have not yet had the opportunity, Mr. Prime Minister, to visit Singapore, and unfortunately, until this morning, I had never had the opportunity to get acquainted with you and to exchange views with you. But obviously, because of your reputation and your country's reputation, I have known both of you.

And I must say that the reputation of both the country and yourself is carried very far throughout the world. In its brief existence, Mr. Prime Minister, a decade of independence, Singapore has compiled a tremendous reputation and record of accomplishment.

Asian traditions have blended in this case very successfully with modern technology to produce a prosperous and a very progressive society without sacrificing a distinctive cultural heritage.

Singapore has built for itself a position of great respect and influence in Southeast Asia and throughout the rest of the world, and I have noticed that in my many contacts with other leaders in the Commonwealth as well as elsewhere.

As the principal architect of this success, the Prime Minister has become widely known, not only for what Singapore has accomplished under his leadership but also for his very broad grasp of international relationships.

Over the last decade, he has achieved a very special status among world leaders for his very thoughtful and his articulate interpretations of world events. He is a man of vision whose views are very relevant to world issues and whose advice is widely sought.

When the Prime Minister speaks, we all listen most carefully for good and sufficient reasons, and we come away from those experiences far wiser.

And I am especially pleased that we have an opportunity to exchange views with the Prime Minister at this time. We have had a tragedy in Indochina. It is affecting all of the countries in Southeast Asia, as well as all of us who are deeply concerned for the future of Southeast Asia and for the cause of freedom.

It has made the problems of Southeast Asia much more difficult. But let me

say without reservation, we are determined to deal affirmatively with those problems, and we will deal with them.

The Prime Minister's visit gives us the benefit of his experience and his wisdom in assessing the current situation in that part of the world. It also gives me the opportunity to assure him that our commitments in Southeast Asia and elsewhere, if I might add, are honored and will be honored, and that our concern for the security and for the welfare of free nations in Southeast Asia is undiminished.

Mr. Prime Minister and Mrs. Lee, it is a great pleasure for Mrs. Ford and myself to have you here with us this evening and at last to have an opportunity to have an acquaintanceship and a fine evening with you. Both Mrs. Ford and I have looked forward to this for some time.

Ladies and gentlemen, I ask you now to raise your glasses and join with me in offering a toast to the Prime Minister of Singapore and to Mrs. Lee.

NOTE: The President spoke at 10:01 p.m. in the State Dining Room at the White House. Prime Minister Lee responded as follows:

Mr. President, Mrs. Ford, ladies and gentlemen:

It is 2 years since I was here as a guest on a similar occasion—a guest of your predecessor. For America, her friends and allies, the world has been somewhat diminished since then.

In the first years after the end of World War II, the great events were the cold war, the Marshall plan, the Berlin blockade, the Korean war. In each one of these trials of will and strength, America and her allies in Western Europe, and later Japan, came out strong and united.

But the dramatic turn of events of the last 2 years—the war in the Middle East in October 1973, followed by an oil embargo, a four-fold increase in oil prices, the partitioning of Cyprus in June 1974, and more recently, the loss of Cambodia to the Khmer Rouge and the capture of South Vietnam by the North Vietnamese army—have weakened America and her allies.

Economic recession and increased unemployment on top of the crisis of confidence of a Watergate and other related issues bequeathed a host of problems on your great office. They have become the more difficult to resolve because of bitterness and animosities within America and between America and her allies over past policies and, worse, over suspected future courses of action.

Then, as the United States was near distraction as a result of these problems, the North Vietnamese who had been well supplied in the meantime with arms by her allies, struck with suddenness and boldness and brought off a great political coup, routing the South Vietnamese army.

They had judged the mood of America correctly. They got away with it. These events have grave implications for the rest of Asia and, I make bold to suggest, subsequently for the rest of the world.

I hope you would not think it inappropriate of me to express more than just sympathy or even sorrow that so many Americans were killed and maimed and so much resources expended by successive Democratic and Republican administrations to reach this result. It was an unmitigated disaster. It was not inevitable that this should have been so, especially in this catastrophic manner, nor the problems would now end just with Communist control of Cambodia, South Vietnam, and Laos, and of their allegiance to competing Communist centers of power.

Now, much will depend upon your Administration getting problems back into perspective. An economically weakened America with recession dampening the economies of Western Europe and Japan leading to falling commodity prices for the developing world—other than the oil producers—was threatening to further weaken other non-Communist governments the world over.

Now, it looks as if the worst may be over. It may take some time and no little effort to sort out the complex problems of the Middle East, to remove the threat of a sudden cut in supplies in oil at reasonable prices.

Next comes the restoration of confidence in the capacity of the United States to act in unison in a crisis. No better service can be done to non-Communist governments the world over than to restore confidence that the American Government can and will act swiftly and in tandem between the Administration and Congress in any case of open

aggression, and where you have a treaty obligation, to do so.

If the President and Congress can speak in one voice on basic issues of foreign policy and in clear and unmistakable terms, then friends and allies will know where they stand and others will not be able to pretend to misunderstand when crossing the line from insurgency into open aggression. Then the world will see less adventurism.

When confusion reigns, it is more often because men's minds are confused rather than that the situation is confused. I found considerable clarity of exposition on future policies, both here in our discussions this morning and in most of my discussions on Capitol Hill.

There was no congruence, complete congruence of attitudes and policies, but I believe there is or should be enough common ground on major issues. If this common ground can form the foundation of a coherent, consistent policy between now and the next Presidential elections, there would be great relief around the world.

Like the rest of the world, we in Asia have to get our people reconciled to slower rates of growth now that the cost of energy has nearly quintupled. But growth, however slow compared to what it used to be, would be of immense help in keeping the world peaceful and stable. Only then will great matters be accorded the priorities they deserve, and men's minds will be less confused.

One such confusion is that since Vietnam and Cambodia were not America's to lose in the first place, then nothing has been lost. It is this apologetic explaining away of a grave setback that worries many of America's friends. Since we do not belong to you, then you have lost nothing anyway, if we are lost.

I am happy to tell you, Mr. President, that my immediate neighbors and I have not been lost. Indeed, we have every intention to coordinate our actions and policies to insure that we will never be lost. It is a euphemism for a takeover, often by

force. It will help if Americans, particularly those in the mass media, do not find this strange.

Mr. President, I have expounded this last week in Jamaica, as a consequence of which my friend, the British Foreign Secretary, Jim Callaghan, said it made him melancholy. And I went back and quoted a Chinese metaphor saying—4,000 years of variegated living, sometimes in prosperous, often in less prosperous circumstances, and the same language, polished and repolished over some 3,000-plus years, one can usually find something apt.

It runs thus: Saiwung Chima—Saiwung is a name of a man who lived in the Sung Dynasty—he had many horses. One day he lost one. Who knows what tragedy he felt? The great chairman may not.

I don't know whether this is ideologically purist in its approach, but it has a philosophical explanation for fortune and misfortune.

The horse was lost, great loss. The horse came back and brought another horse—profit.

His son rode the horse and was thrown off and broke his leg. Great pity. War came and the young men were conscripted, but his son, having broke his leg, missed the conscription. Unlike his many other contemporaries, he survived—but with a broken leg, mended.

It is as much to console my friend Jim Callaghan as it is to give me that degree of solace and sometimes objectivity. Who knows, 2 years ago it was a different world. Two years from hence could be better, could be worse, but I do not believe in Marxist-Leninist predetermination.

I have been able to spend a delightful evening beside your wife, Mr. President. I read of you, and it was as I found it—that you were open, direct, easy to get along with, but with decided views.

I did not know, however, that you had a gracious wife who made me feel completely at home, and I enjoyed my evening.

So, ladies and gentlemen, if you would join me in wishing the President and Mrs. Ford good health, good fortune, long life.

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Remarks on Greeting Participants in the Annual Conference of the National Association for Foreign Students Affairs.

May 9, 1975

THANK YOU very much for coming. I am delighted to welcome all of you in the Rose Garden at the White House, and I think it's most appropriate that we get together on this International Students Day, which is designated by the good mayor of the city of Washington, D.C.

I particularly welcome the special students from abroad, and I see so many of you here; it's a real privilege and a great pleasure. But also, I wish to thank those who have made this possible, those who are here that have contributed to the organization and the function that is so essential if we are to make the program work.

There is so much that we can learn from each other. You can learn about America, about our way of life, and obviously, we can learn about your countries and your cultures from each of your countries.

It's been my experience that there is absolutely no substitute for person-to-person relationships, and that is precisely why your presence in our country is so vitally important.

In the past few years, we have seen the world grow more and more interdependent because of scientific, economic, and political developments. But our understanding of each other has not always moved as rapidly. This is changing, however, as I perceive it, because people everywhere are recognizing the goals, the common goals, the hopes, and even the dreams that unite us as people in all parts of the globe.

The world does have many races, many creeds, and many different political systems. But these differences, in my judgment, need not divide us. The knowledge you bring to this country as you study in our universities and colleges gives us the benefit of your unique backgrounds.

And that helps, of course, to enrich the United States and our people, and it will promote, in my judgment, a better understanding between your countries and this country. And I ask, when you do return home, that you will share what you've learned in this country with your fellow citizens. We hope and trust that what you've learned will have a lasting and very beneficial impact on the relationships between all of us.

I do want to express again my appreciation for the work that has been done by so many to make this gathering possible and this program function. The representatives of the foreign student service organization, which does sponsor this activity, deserves a great deal of credit. I thank them, and I'm sure that you do.

And may I wish to all of you the very, very best, and I hope and trust that you will come back and see us again and that we can see you in your countries and continue the friendships that have developed.

Thank you very, very much.

NOTE: The President spoke at 2:23 p.m. in the Rose Garden at the White House. The conference was sponsored by the Foreign Students Service Council.

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**Remarks at a Reception for Chiefs of Delegation to
the General Assembly of the Organization of American States.**

May 10, 1975

*Mr. President of the General Assembly, Excellencies, distinguished delegates,
ladies and gentlemen:*

This is my very first opportunity as President to welcome the Chiefs of Delegation to the General Assembly of the Organization of American States. I am very delighted to be here, and it is a great privilege and pleasure to see all of you here this evening.

It has been my good fortune to have met many of you when I was in the Congress and to meet many of you when I was Vice President. I have had an opportunity to see many of you as President, and it is a great pleasure to have you in the White House on this occasion.

Your presence here tonight is testimony to the wisdom of the Western Hemisphere's pioneering effort to create a free association of sovereign nations about a century ago. The durability of our inter-American system rests on its ability to adapt to changing hemispheric and world conditions and to respond to the new problems and the needs which arise.

I just noticed that some of my good friends and old colleagues in the House of Representatives and the Senate are here, and I welcome them as well.

Let me add at this point—it is a comment by my good friend and old colleague, Bill Mailliard,¹ and he has said this, and I fully concur: The bedrock strength of this Organization comes from the wealth of wisdom that the member states and their representatives bring to the solution of our common problems.

Today, this General Assembly is carrying on the tradition of adaptability to change, as we see it, in considering recommendations for reform. Just as the inter-American system was the pathfinder in the field of international organizations, it could likewise become a pioneer in reforming the traditional way in which international organizations do business. The basic concept which holds this Organization together is that strength and progress come from cooperation rather than from conflict.

In this country, we are extremely proud of our achievements under a democratic form of government and a productive economic system. We recognize

¹ William S. Mailliard, Permanent Representative of the United States of America to the Organization of American States.

that every State has the right to adopt its own system of government and its own economic and social organization. Fortunately, we live in a hemisphere with a rich tradition of diversity.

One of our continuing tasks is to resolve issues that from time to time divide us. For example, we are now updating our relationship with Panama over the issue of the canal. This new relationship will accommodate the important interests of both of our countries and all of the nations of the world which depend upon the canal.

The world we now live in is increasingly fluid and complex, containing many new centers of power. There are new and more subtle challenges to the well-being of mankind. And the new issues reflect the major concerns of our people—economic development, growth of trade, sufficient food production, a healthy environment, and managing the growth of population.

As the world economy becomes much more complex, the line between domestic and international economic policy becomes ever less distinct. We know we have differences, and we certainly will continue to have them. But despite such problems, I am personally confident that we will shape the relationships necessary to improve the lives of all of our people.

The nations of this hemisphere have individually and jointly made great progress in their efforts to promote the well-being of their peoples. Our cooperation for development requires constant redefinition and imaginative new solutions to the common problems that we face. The United States is proud of its continuing contribution to this joint effort. There is no reason we cannot conquer the last vestiges of poverty in a hemisphere which is so richly endowed.

The tradition of mutual cooperation, which is at the heart of our inter-American system, adds another dimension to the requirements of global interdependence. We must be particularly conscious of the need to avoid unnecessary damage to each other's interests. For this reason, I am supporting modification of recent legislation passed by the Congress which singles out a few nations of the hemisphere for what seems to be discriminatory treatment.

International cooperation that assures mutual respect among nations is more essential than ever, and the opportunities, particularly in this hemisphere, are without precedent.

I wish you the greatest success in your deliberations and hope that together we can take full advantage of the opportunities for cooperation that present themselves to us, who are the fortunate inhabitants of these great Americas.

Thank you very much.

NOTE: The President spoke at 7:26 p.m. in the East Room at the White House. In his opening remarks, he referred to Dr. Indalecio Liévano Aguirre, Min-

ister of Foreign Relations of Colombia and Chairman of the General Assembly.

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Statement on House Action Sustaining Veto of the Emergency Agricultural Bill. May 13, 1975

I COMMEND the House of Representatives' action in sustaining, by a comfortable margin, my veto of the Emergency Agricultural Act of 1975,¹ commonly known as the farm bill.

The 182 Members who supported my veto acted in the best interests of the economy, of the consumer, and of farmers themselves. The bill would have refired inflation and set back the recent progress made in freeing farmers from Federal controls. The American farmer does a terrific job and will do a better job without the restraints this bill would have imposed.

This vote proves that there is enough concern in both parties in this Congress to hold the line on the deficit. I will continue to fight for Federal fiscal responsibility and welcome this show of support.

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Message to the Congress Transmitting First Annual Report of the National Council on Educational Research. May 14, 1975

To the Congress of the United States:

I am pleased to send you the first Annual Report of the National Council on Educational Research as required by Public Law 92-318, Title III (Section 405(c)(3)(f) of the General Education Provisions Act, as amended).

The Council is the policy-making body of the National Institute of Education which was created by the Congress to provide national leadership in the conduct of educational research and development.

I remain committed to a strong Federal role in research and development in education and to support the National Institute of Education and the National Council on Educational Research as the primary vehicles responsible for the Federal role. The Institute is now well advanced in its program directed toward specific and pressing educational problems.

¹ See Item 232.

The National Council on Educational Research is providing guidance to the Institute during the development of this program.

I know that the Congress will join with the Administration in supporting and strengthening the National Institute of Education and in encouraging the National Council on Educational Research to continue providing the vigorous policy direction and advice which will assist the Institute to meet its goals.

GERALD R. FORD

The White House,
May 14, 1975.

NOTE: The report is entitled "National Institute of Education, Department of Health, Education, and Welfare, National Council on Educational Research,

First Annual Report—1974" (Government Printing Office, 51 pp.).

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Letter to Mayor Abraham D. Beame Responding to New York City's Financial Assistance Request. May 14, 1975

Dear Abe:

The purpose of this letter is to respond to your and Governor Carey's request to me for my support for Federal legislation which would enable the City of New York to use the credit of the United States for a period of 90 days and in the amount of \$1 billion.

As you and Governor Carey explained it to me, this 90-day period would enable the City to bridge the period needed for the New York State Legislature to act upon your request for increased taxing authority and subsequently enable you to submit, and the City Council to adopt, a balanced budget for the fiscal year beginning on July 1, 1975.

I was deeply impressed with the problems you and the City Council must face in the next few weeks in meeting the financial problems of the great City of New York. I was also deeply impressed with the difficult steps confronting you to eliminate the extraordinary imbalance between current revenues and current expenses. However, it was also clear that the City's basic critical financial condition is not new but has been a long time in the making without being squarely faced. It was also clear that a ninety day Federal guarantee by itself would provide no real solution but would merely postpone, for that period, coming to grips with the problem.

For a sound judgment to be made on this problem by all concerned, there must be presented a plan on how the City would balance its budget. This, given the amount involved to accomplish that balance, would require an evaluation of what the City can do through curtailment of less essential services and subsidies and what activities the City can transfer under existing state laws to New York State.

Fiscal responsibility is essential for cities, states and the Federal Government. I know how hard it is to reduce or postpone worthy and desirable public programs. Every family which makes up a budget has to make painful choices. As we make these choices at home, so must we also make them in public office too. We must stop promising more and more services without knowing how we will cover their costs.

I have no doubt that the adoption of sound budget policies would have a substantial and beneficial effect in both short and long term credit of the City of New York.

More specifically, in regard to your request to me for support of Congressional legislation to provide Federal backing and guarantee of City debt, I believe that the proper place for any request for backing and guarantee is to the State of New York. For such "bridge loan legislation", it seems to be both logical and desirable for the State of New York to arrange under its laws a "bridge loan" to the City in the amount that you estimate will be needed during the City's fiscal year.

In view of the foregoing considerations, I must deny your request for support of your Federal Legislative proposal.

I have asked Secretary Simon to follow closely the credit situation of the City of New York over the next few weeks, and to keep me informed.

The Federal Reserve Board, under its statutory responsibilities, will, I am sure, likewise monitor the situation very closely.

Sincerely,

GERALD R. FORD

NOTE: The President had met at the White House with Governor Hugh L. Carey and Mayor Beame

on May 13 to discuss New York City's financial situation.

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**Toasts of the President and Prime Minister Johannes den Uyl
of the Netherlands. May 14, 1975***Mr. Prime Minister:*

Let me extend on behalf of all of our people a very warm welcome on your first visit as Prime Minister to our country.

And may I point out in that capacity that you and I have some similarities in our previous background—before you became Prime Minister and before I became President. It is my understanding from reading recent history, that you had some long experience in politics in your country, and I had a few years in mine. And in the process, both of us served as the leaders of our party in the legislative branch, in the process of moving from where we were to where we are.

So, we do have a common understanding and rapport which I felt was most helpful in our discussions this morning, as we were very frank in setting forth observations and comments concerning the situation in various parts of the world.

Our country, of course, has a tremendous indebtedness to those from your country. I understand that Amsterdam is dedicating its 700th year in 1976 and that New York City is doing the same for its 200th year.

The Dutch, of course, had a tremendous impact on New York City, for which we are most grateful. But the influence of people from your country goes far broader than the impact of several hundred years ago in New York. I have had the personal experience, as I indicated to you this morning, of exposure to and benefiting from people with a Dutch background and heritage, and I personally am indebted.

But we in America are most thankful that so many of your people came to America in various waves and for various reasons, but they did contribute, and still do, to the kind of America that I and, I think, everybody here believes is the right kind of America.

So, I thank you for the contribution. It gives to us, as a result, an understanding between the Netherlands and ourselves as we seek to move ahead in the days before us in meeting the current challenges that are as important to you as they are to us.

I am looking forward to joining you and others in a few weeks in Brussels. I believe that this gives us another opportunity to help to solidify the common aims

and objectives that are important not only to the community but to Europe as a whole.

Let me assure you to the extent that words mean anything, this country—and I look around and see good Democrats and good Republicans—we are unified in this country in the strength, the solidarity, and the vision of Europe and the United States and the allies.

So, when I have the privilege of joining with you and with the others representing the NATO organization I think I can speak for all of America in saying that we believe what was established in 1951 is as strong and as viable and as effective in the years ahead.

So, if I might, Mr. Prime Minister, may I offer to you and to your health, a toast, and to the health of Her Majesty, Queen Juliana, and to the lasting friendship between our peoples.

NOTE: The President spoke at 9:50 p.m. in the State Dining Room at the White House. Prime Minister den Uyl responded as follows:

Mr. President:

The Minister of Foreign Affairs joins me in expressing our sincere thanks for your warm hospitality and for your kind words of welcome this morning.

When you refer to the many ties that are between the Netherlands and the United States, you are right. You, personally, you may testify about historical origins of those ties in the State where you come from and where many Dutch people have found a new homeland.

While the Dutch still have been active in history of the United States—they founded New Amsterdam, and while it should still be New Amsterdam—was it not that they sold it at much too low a price to other people?—[laughter]—and while there are so many things of Dutch activities in the past in this Nation that, well, you are right in saying that so much in the past and so much in the present unify us.

Well, let me say a few more words to what might be of importance in our relations.

You know, Holland is a small country. It is more dependent on international relations than a few other countries. We are densely populated. Our imports and exports together are as big as our gross national product.

When anything is wrong in the world—we feel it just today that it happens—we cannot live without the working of international institutions, and we firmly believe in the value and the importance of those institutions.

While the times that a little Dutch boy could solve an environmental crisis by just putting his

finger in the dike belongs to the past, these problems can now only be adequately dealt with in major international organizations—the U.N., the OECD [Organization for Economic Cooperation and Development], the energy action group.

The Netherlands is traditionally a strong supporter of such institutionalized international cooperation. Our support for NATO is increasingly linked to the considerable contribution to détente that this organization has been able to make during the last years and, hopefully, will make in the future. A historic breakthrough has been accomplished from the cold war years to a new era of, as we see it, dialog and negotiations.

Let me say this is well known that in my country an intensive discussion is going on on the present and future role of NATO. For my government, it is essential that NATO will contribute to the developing and deepening of democracy and the promotion of détente in East-West relations as we stressed in the Declaration of Ottawa last year.

While, Mr. President, this morning discussing our common problems, I referred to the great significance that the problems of the North-South relations have in my country, I told you that perhaps the very strong Calvinist tradition is true to the very important role we attach to North-South relations and to development of cooperation in the world. Churches in Holland are aware of that, political parties, and we consider it as our plight to come out for it.

Let me say a few more words to the problem.

We do think that the problems of international peace and security are closely linked with social progress and economic well-being. You, Mr. President, and your collaborators have on numerous occasions stressed the basic reality of worldwide interdependence.

In this respect, we cannot ignore the fact that in a world of what's called rising expectations, for too many the prosperity which our nations enjoy is still beyond their reach. In a world of true interdependence, we cannot afford to let our attention be diverted from the fact that many countries are as yet highly dependent on our level of aid and our respective trade policies.

Relations between the Western democracies and the countries of the Third World have, as I see it, been strained in recent years by an apparent lack of confidence in our willingness to share their burdens and to help them solve their immense problems.

While I am humble to say, but it is the experience of my country that a new basis of confidence can be established if we succeed in finding adequate forms of cooperation.

We have experienced and it is our conviction that one of the major aims of the continuing cooperation between Western countries must be the creation of a reestablishment of a basis of confidence in the Third World.

In this context, the early start of a serious dialog on raw materials has a special importance as we discussed this morning, and about which Mr. Secretary of State spoke yesterday.

We hope that the coming Special Assembly of the U.N. will provide a new basis for cooperation between developing and industrialized nations. I believe that in view of its wide responsibilities and its tremendous economic capacity, Mr. President, your country, the United States, can and will make a significant contribution in this respect. And we believe that a country like ours, the Netherlands, can also make a contribution to world peace and worldwide economic cooperation, albeit a more modest one.

My government is bound to raise development aid and transfer of real financial resources next year to 1 ½ percent of net national income. It is also in this context that we have welcomed today the opportunity to discuss with you international problems and our respective positions on a wide range of issues.

Meaningful ties between the United States and the Netherlands, the recognition that our responsibilities, Mr. President, are small compared with yours, but against that background, again, expressing our great appreciation for the hospitality and friendship which are being shown to us in Washington, I should now like to propose to you a toast to the health and the well-being of the President of the United States.

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Remarks to the Nation Following Recovery of the SS *Mayaguez*. May 15, 1975

AT MY direction, United States forces tonight boarded the American merchant ship SS *Mayaguez* and landed at the Island of Koh Tang for the purpose of rescuing the crew and the ship, which had been illegally seized by Cambodian forces. They also conducted supporting strikes against nearby military installations.

I have now received information that the vessel has been recovered intact and the entire crew has been rescued. The forces that have successfully accomplished this mission are still under hostile fire, but are preparing to disengage.

I wish to express my deep appreciation and that of the entire Nation to the units and the men who participated in these operations for their valor and for their sacrifice.

NOTE: The President spoke at 12:27 a.m. from the Briefing Room at the White House. His remarks were broadcast live on radio and television.

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Letter to the Speaker of the House and the President Pro Tempore of the Senate Reporting on United States Actions in the Recovery of the SS *Mayaguez*. May 15, 1975

ON 12 May 1975, I was advised that the S.S. *Mayaguez*, a merchant vessel of United States registry en route from Hong Kong to Thailand with a U.S. citizen crew, was fired upon, stopped, boarded, and seized by Cambodian naval patrol boats of the Armed Forces of Cambodia in international waters in the vicinity of Poulo Wai Island. The seized vessel was then forced to proceed to Koh Tang Island where it was required to anchor. This hostile act was in clear violation of international law.

In view of this illegal and dangerous act, I ordered, as you have been previously advised, United States military forces to conduct the necessary reconnaissance and to be ready to respond if diplomatic efforts to secure the return of the vessel and its personnel were not successful. Two United States reconnaissance aircraft in the course of locating the *Mayaguez* sustained minimal damage from small firearms. Appropriate demands for the return of the *Mayaguez* and its crew were made, both publicly and privately, without success.

In accordance with my desire that the Congress be informed on this matter and taking note of Section 4(a)(1) of the War Powers Resolution, I wish to report to you that at about 6:20 a.m., 13 May, pursuant to my instructions to prevent the movement of the *Mayaguez* into a mainland port, U.S. aircraft fired warning shots across the bow of the ship and gave visual signals to small craft approaching the ship. Subsequently, in order to stabilize the situation and in an attempt to preclude removal of the American crew of the *Mayaguez* to the mainland, where their rescue would be more difficult, I directed the United States Armed Forces to isolate the island and interdict any movement between the ship or the island and the mainland, and to prevent movement of the ship itself, while still taking all possible care to prevent loss of life or injury to the U.S. captives. During the evening of 13 May, a Cambodian patrol boat attempting to leave the island disregarded aircraft warnings and was sunk. Thereafter, two other Cambodian patrol craft were destroyed and four others were damaged and immobilized. One boat, suspected of having some U.S. captives aboard, succeeded in reaching Kompong Som after efforts to turn it around without injury to the passengers failed.

Our continued objective in this operation was the rescue of the captured

American crew along with the retaking of the ship *Mayaguez*. For that purpose, I ordered late this afternoon [May 14] an assault by United States Marines on the island of Koh Tang to search out and rescue such Americans as might still be held there, and I ordered retaking of the *Mayaguez* by other marines boarding from the destroyer escort *Holt*. In addition to continued fighter and gunship coverage of the Koh Tang area, these Marine activities were supported by tactical aircraft from the *Coral Sea*, striking the military airfield at Ream and other military targets in the area of Kompong Som in order to prevent reinforcement or support from the mainland of the Cambodian forces detaining the American vessel and crew.

At approximately 9:00 p.m. EDT on 14 May, the *Mayaguez* was retaken by United States forces. At approximately 11:30 p.m., the entire crew of the *Mayaguez* was taken aboard the *Wilson*. U.S. forces have begun the process of disengagement and withdrawal.

This operation was ordered and conducted pursuant to the President's constitutional Executive power and his authority as Commander-in-Chief of the United States Armed Forces.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable James O. Eastland, President pro tempore of the Senate.

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Remarks of Welcome to Mohammad Reza Pahlavi, Shahanshah of Iran. May 15, 1975

IT IS an honor to welcome our distinguished guests, His Imperial Majesty, the Shahanshah of Iran, and Her Imperial Majesty, the Shahbanou, once again to our National Capital.

The visit of Your Imperial Majesties reflects the cordial, personal, and close governmental relations between the United States and Iran through many administrations. Ours is an old and tested friendship; it will continue to be so in the future.

Since Your Imperial Majesties last visited Washington, the world has seen many changes. But throughout this period, the United States commitment to peace and progress for the world has remained firm. Our commitment to a

continuity of relations and constructive cooperation with friends such as Iran has remained constant, even while the world has changed.

We continue to build on the longstanding foundation of our mutual interests and aspirations. The United States and Iran have expanded and intensified cooperation on many fronts. Together, we can create an example for others to follow in the new era of interdependence which lies ahead.

Iran is an amazing country—an ancient civilization that through the centuries has retained its distinctive national identity and culture. In recent years, Iran has achieved remarkable progress, serving as a model of economic development. Its extraordinary achievements have been inspired by one of the world's senior statesmen, our distinguished visitor, His Imperial Majesty.

I look forward, Your Imperial Majesty, to the talks which we shall have during your visit to review what has been accomplished by our two nations and to explore new dimensions for harmonizing the interests of our two nations and increasing the cooperation between us in the cause of peace and prosperity for our two peoples and for the world.

On behalf of Mrs. Ford and the American people and our Government, it is my pleasure to welcome Their Imperial Majesties to Washington.

NOTE: The President spoke at 10:40 a.m. on the South Lawn at the White House where the Shah was given a formal welcome with full military honors. The Shah responded as follows:

Mr. President:

It is indeed an honor for the Shahbanou and myself for being the guests of President Ford and Mrs. Ford. This is not our first visit to your country—it dates back a long time ago when, for the first time, I set foot on this land of the free and the brave.

Since that day, and even before, very solid relations of friendship existed between our two countries. In the old days, we were looking to America as our friend and also the friend of all people who were striving for liberty and dignity. That feeling of my country towards yours and your people is today stronger than ever.

We would like to let you know that this friendship will never change on our part, because it was based not on selfish interest, but more on the basis that we share common ideals. I am sure that you will stand for those ideals as we will stand by them.

As you mentioned, Mr. President, the world is changing, and very rapidly—sometimes for the better and sometimes, I hope not, for the worse. But in that changing world, those who remain faithful to the principles of human dignity and human liberties will have, in a spirit of interdependence, to try to, if necessary, create that new world.

The new world must not be created by just a succession of events, but it must be created by the good will of countries deciding to create that world on a basis of more equality and justice.

My country will be alongside the United States in the creation of that new world. I am sure that during the privilege of my meetings with you, Mr. President, and the talks that we will have, we shall forge the way for this better world in the most harmonious possible way between our two countries.

I bring the greetings of the people of my country to the great people of America, wishing you the best of luck and ever more prosperity and happiness.

Thank you, Mr. President, for your very kind invitation.

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Message to the Congress Transmitting Annual Report of the
National Heart and Lung Advisory Council. May 15, 1975

To the Congress of the United States:

Enclosed is the "Second Annual Report of the National Heart and Lung Advisory Council," prepared in accordance with the requirement of Public Law 92-423, the "National Heart, Blood Vessel, Lung, and Blood Act of 1972."

The National Heart and Lung Advisory Council has again prepared a thoughtful Report that addresses a number of important research policy questions. With regard to the Council's Report, there are recommendations that are in accord with the Administration's views (e.g., for inter-Council collaboration) as well as recommendations that are at variance with Administration policy (e.g., on the Council's proposed budget).

The Report indicates that "the Council has tried to estimate as realistically as possible the funds which are required to implement the National Program" of the National Heart and Lung Institute. The Council recommended funding levels without considering budget constraints. Therefore, it is not surprising that the budget recommendations of the Council considerably exceed those of the President's 1976 Budget, which must take fiscal constraints and competing national needs into consideration. It should be noted that the budget for the National Heart and Lung Institute has increased greatly in recent years: from \$195 million in 1971 to \$286 million in 1974, to \$293 million proposed for 1976.

The Administration acknowledges the accomplishments of the National Program as described in the Council's Report, and continues to view the heart and lung program as an area of high priority. The Report of the Council merits serious consideration and is being carefully studied and evaluated. I am forwarding the Report to the Congress so that it is available for deliberations.

GERALD R. FORD

The White House,
May 15, 1975.

NOTE: The 39-page report is entitled "National Heart, Blood Vessel, Lung, and Blood Program, Second Annual Report of the National Heart and Lung Advisory Council, December 31, 1974."

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Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Authorization Legislation for Foreign Assistance Programs. May 15, 1975

I AM transmitting today a bill to authorize Foreign Assistance programs for fiscal years 1976 and 1977 and for the transition period July 1, 1976 through September 30, 1976.

This proposal reflects both current realities and continuing uncertainties.

One reality is that we live in an interdependent world—a world in which the actions or inactions of any one great nation can affect the interests of all. By its actions, this nation will play its proper role in influencing the course of world events to make a better world for all. Foreign assistance is an essential element in the U.S. commitment to this objective.

A second reality, however, is that the recent events in Indochina have had a profound impact on the assumptions underlying the assistance requirements in my 1976 Budget, transmitted in February. There has not been sufficient time to fully assess the implications of these changes on foreign assistance requirements. What is abundantly clear, however, is the urgent need to assist those people who have been forced to flee from Indochina. I have already requested legislation to permit us to meet this need and I urge speedy congressional action.

A third reality is the continuing tension in the Middle East—an area which has been wracked by war and even now knows only an uneasy peace. The United States has made every effort to assist in finding a solution to the problems in this part of the world and is now undertaking a thorough reassessment of every aspect of our relations with the countries of the Middle East.

These current realities are also the source of continuing uncertainties about the 1976 foreign assistance program.

In order to permit the fullest possible consideration of foreign aid requirements by the Congress, the legislation I am transmitting today contains specific funding proposals for development assistance and related programs. However, because of the uncertainties caused by changing events, this request does not include specific amounts for grant military assistance, foreign military credit sales and some economic supporting assistance programs at this time. For these accounts, I am requesting an authorization for such sums as may be necessary and will return to the Congress with specific funding proposals as soon as possible.

The review of our policies in the Middle East, which I initiated last month, will not be completed until later this summer. I have, therefore, also omitted specific requests for assistance to the four major Middle Eastern aid recipients until this review is completed.

With this bill, the Congress is now in a position to begin consideration of those elements of our foreign aid programs on which I have made firm recommendations. The other specifics will be transmitted as soon as our reviews permit. I urge that the Congress consider and enact this legislation.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rock-

efeller, President of the Senate. The text and an analysis of the draft legislation were included as part of the release.

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Toasts of the President and the Shah of Iran.

May 15, 1975

Your Imperial Majesties, the Shahanshah and Shahbanou:

I warmly welcome the Imperial Majesties to the White House this evening, and I am sure by the reception that has been indicated here, everybody joins me on this wonderful occasion.

Your visit here is, of course, a tribute to the long legacy of a very close and very cooperative tie between Iran and the United States, and I hope, on the other hand, that you will think upon this as a visit between old friends.

I am the seventh President, Your Imperial Majesty, to have met with you on such an occasion. The facts speak volumes for the continuity and the duration of our bilateral relations and the importance that we attach to the broadening and the deepening of those ties and those interests of peace and progress throughout the world. These are objectives to which the United States remains deeply committed. These objectives Iran shares with us.

Our nations have thus brought together a very unique relationship, working together cooperatively for the past several decades on the basis of a mutual respect, and I am looking forward to continuing this great tradition with yourself, and this country and your country. And it is, as I see it, a living and a growing tradition.

Recently, our common bonds have acquired a new scope as Iran, under your Imperial Majesty's wise leadership, has made extraordinary strides in its economic development and its relationships with other countries of its region and the world.

The progress that you have made serves as a superb model to nations everywhere. Iran has moved from a country once in need of aid to one which last year committed a substantial part of its gross national product to aiding less fortunate nations.

Iran is also playing a very leading role in what we hope will be a very successful effort to establish a more effective economic relationship between the oil producers, the industrialized nations, and the developing nations.

As an indication of Iran's economic importance to the world scene, I am impressed that civilian, non-oil trade between the United States and Iran is expected to total over \$20 billion by 1980.

The present period will be seen by historians as a very major milestone in Iran's ancient and very glorious history. The leader whose vision and dynamism has brought Iran to this stage, His Imperial Majesty, is clearly one of the great men of his generation, of his country, and of the world.

Just as Iran's role and potential goes far beyond its own border, so, too, His Imperial Majesty is one of the world's great statesmen. His experience of over 30 years as Iran's leader has been marked by dedication to progress and prosperity at home and significant contributions to the cause of peace and cooperation abroad.

We deeply value our friendship and our ties with Iran, and we will remain strong in that friendship now and for the future. In an interdependent world, we remain deeply grateful for the constructive friendship of Iran, which is playing a very important role in pursuit of a more peaceful, stable, and very prosperous world. And we, for our part, remain constant in our friendship with this great country. We pledge ourselves to insuring that our ties are creatively adjusted to meet the pressing problems and changing realities of the present world.

On a more personal note, let me add that Mrs. Ford and I have felt great pleasure in welcoming Her Imperial Majesty, the Shahbanou of Iran, on this visit. Your Imperial Majesty's dedication to progress within your country is widely known, as is your warmth and your beauty and your graciousness. Your presence is a high honor for us on this occasion.

Ladies and gentlemen, I welcome our distinguished guests, Their Imperial Majesties, and I ask that you join me in proposing a toast to Their Imperial Majesties, the Shahanshah and Shabanou of Iran.

NOTE: The President spoke at 10:17 p.m. in the State Dining Room at the White House. The Shah responded as follows:

Mr. President, Mrs. Ford, distinguished guests:

It is difficult to find words to express our sentiments of gratitude for the warm welcome that you, Mr. President and Mrs. Ford, have reserved for us today.

I wanted to come to this country that I knew before to meet the President of this country for whom we have developed, since he assumed this high office, a sentiment of respect for a man who is not shrinking in front of events. And may I congratulate you for the great leadership and the right decisions that you took for your country and, may I add, for all the peoples who want to live in freedom.

This is precisely what this world needs—courage, dignity, and love of the other human being. We are proud of being a good and, I believe, a trusted friend of the United States of America, and this will continue because this friendship is based on permanent and durable reasons—these reasons being that we share the same philosophy of life, the same ideals. And I could not imagine another kind of living which would be worth living.

Your country has been of great help to us during our time of needs. This is something that we do not forget as what Iran can do in this changing world and this world of interdependency. In addition to our continuous friendship with you, we will try to be of any utility and help to other nations which would eventually need that help.

I have got to look to the future of the world—with all the seriousness of the situation—with hope, because without it, it will be very difficult to work and to plan.

In that future, I know that we are going to walk together, work together to uphold the ideals in which we believe—for a world which will be rid of its present difficulties, a world which will not know again the words of famine, illiteracy, sickness, and disease.

Thank you again, Mr. President, for the warm sentiments of friendship that you have shown towards my country and my people. I only can reciprocate the same feelings for yourself and the great people of the United States, and in doing so, I would like to ask this distinguished audience to rise for a toast to the health of the President of the United States of America, of Mrs. Ford, and the people of America.

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Remarks to Members of the National Republican Heritage Groups Council. May 16, 1975

Thank you very much, Congressman Ed Derwinski. Mayor Ralph Perk, Anna Chennault, Jay Niemczyk, and all of you who are here as a part of the National Republican Heritage Group:

It is so nice to see you, and I am very, very grateful for the warm reception. And I add very, very quickly my deep personal appreciation for your organization, your personal participation, and for the work that I know that you are going to do between now and the next election in November of 1976.

Let me add most emphatically, during the course of my 13 campaigns running for the House of Representatives in the Fifth Congressional District in Michigan, I was beneficiary of the loyal support and the dedicated effort of many, many heritage groups.

The largest numerically and percentagewise, of course, had a background from the Netherlands, and believe me, they were tremendous, they were wonderful in the help that they gave me in these 13 elections.

But we also, in that area of Michigan, had the benefit of many other ethnic groups, some that had been there many years, some that had come most recently—and I only pick out one because it was more or less that of the last vintage, and I speak here of the Latvians.

They organized quickly after coming to this country. They established a wonderful area facility. Believe me, they were active and effective, and I am sure there must be some here from the Latvian group. Will you raise your hands?

But I only use them as an illustration, because we had Lithuanians, we had Poles, we had many others, and this is, in my judgment, what is true all over the country. We have in America the blessing of the ethnic groups that have come to this country over a period of better than 300 years.

There is an old saying that the beauty of Joseph's coat is its many colors. The strength of America's character, the strength of America's effectiveness comes from the fact that we all are a part, regardless of our ethnic background, of this great country—a country that we can be so proud of and especially proud of because of what was done by our military in the last 48 hours.

I am certain and positive—without looking at the rosters—that in the Air Force that covered the operations by the Marines and by the Navy, there were those who had many ethnic backgrounds. I am sure in the roughly 500 Marines that either landed on the ship or landed on the island there were Marines who had many, many ethnic backgrounds. I am positive that on the ships that participated there were those of heritages from many nations of the world. The fact that they could all work together for their new country is, I think, a great tribute to them and to their dedication to America.

We were all welcomed—and I use that in the broadest and most figurative way—when we or our parents or our grandparents came to this great country. And I am very proud that the overwhelming response given—after a few nit-picking criticisms by some—that America today is opening up its heart, their homes to those that fought with us in Indochina.

Our best estimate is, out of the 120,000, that only 35,000 were heads of families, 65 percent of them children, good people that stood shoulder-to-shoulder with us as a country.

I have had an opportunity in the last week or so to talk to some GI's, and they have told me that while they were in Vietnam, they had the help and assistance—and their lives were saved—by a few South Vietnamese.

So, we are not only a society that welcomes people from other countries with other backgrounds but we are indebted to them for the contributions that they have made to our country's policies and our country's efforts.

The group here today—you have made a choice. You believe in the philosophy of the Republican Party. You are dedicated to the expansion of that philosophy in our political system, or by the methods that come from the policies of freedom under our system.

I know that in the last election, under the leadership of my very good friend, Eddie Derwinski, this group had a substantial impact on the results. It is my understanding, statistically, that this group, operating in every State of the Union in one community after another, increased the vote for our cause by better than 12 to 15 percent.

That is a good increase, but 1976 requires a bigger effort and more success. And so, I strongly urge that as a part of this get-together for the rest of this day and tomorrow, you start laying the plans to recruit people, to better organize, to raise money, to go out and be missionaries in selling a philosophy that is good for our country, for all our people—young, old, those yet unborn.

I think we have a great, great opportunity to keep the policies of strength, the policies of humanity, the policies of a healthy economy moving so that we can have a better America and help to build a better world.

So, I thank you very much for coming. I had hoped that at the conclusion I could join you in the State Dining Room for a reception and some refreshments, but unfortunately my schedule got moved around a little bit.

You are welcome in the State Dining Room, you are more than welcome to the refreshments, and let me say, you can have just as much fun, even if I am not there.

Thank you very much.

NOTE: The President spoke at 5:11 p.m. in the East Room at the White House. In his opening remarks, he referred to Representative Edward J. Derwinski, council chairman; Anna Chennault, council co-chair-

woman; Julian Niemczyk, council director; and Ralph Perk, chairman of two of the Heritage Group's charter clubs.

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Toasts of the President and the Shah of Iran at a Dinner Honoring the President. May 16, 1975

Your Imperial Majesties, Shahanshah and Shahbanou of Iran:

Let me say that it has been a great experience becoming well acquainted with you, discussing matters of great importance to our respective countries and to the many problems that we mutually face, and others face, throughout the world.

I have been impressed, Your Majesty, with the friendship that you have long shown to our country. And I have been greatly impressed with the long friendship between our peoples and the mutual dedication that all of us have from our respective countries to a betterment for your country and for ours and for the world at large.

Your Excellencies, and others, will you join me, please, in a toast to the Shahanshah and Shahbanou of Iran.

NOTE: The President spoke at 10:10 p.m. at the Iranian Embassy in response to a toast proposed by the Shah.

The Shah spoke as follows:

Your Excellence, ladies and gentlemen:

Will you rise for a toast to the health of the President of the United States of America and Mrs. Ford.

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Commencement Address at the University of Pennsylvania.

May 18, 1975

President Meyerson, distinguished honoraries, distinguished guests, members of the faculty, parents, friends, and graduating seniors of the class of 1975, and fellow alumni of the University of Pennsylvania:

It is a great privilege and a very high honor for me to be here on this wonderful occasion.

Let me reiterate, if I might, and thank you most sincerely for the honor and the pleasure of speaking here today to the graduating class of the University of Pennsylvania, one of America's great educational complexes consisting of 16 institutions of higher learning and personal enlightenment—17 if you include Smokey Joe's. [*Laughter*]

I have only been here for a few hours today, but one of the things I have come to recognize and to admire in all Penn students is your ability to keep things in perspective.

The way I see it, in an age that puts such a premium on drive, ambition, competition, and the need to excel, any campus that has a sculpture called "We Lost" can't be all bad. [*Laughter*]

Really, I am very delighted to be here on this momentous occasion in the history of the University of Pennsylvania.

Two hundred years ago, the members of the Second Continental Congress adjourned their sessions and marched over in a body to participate in the graduation ceremonies of your great institution. I congratulate you on this unique bit of history. From my experience, it is not all that easy to get a Congress to march together on anything.

I do congratulate today's graduates. But if my congratulations are to have any real meaning, I must relate the past to the present and our national goals to your individual goals.

It is a very special privilege to address a university whose growth has always been oriented toward the future. Your medical school, your school of business, and other departments of the University of Pennsylvania testify to a timely response to the needs of the community by equipping individuals to become problemsolvers.

Your illustrious founder, Benjamin Franklin, conceived of a university as a center where an individual can find fulfillment through the individual's own efforts. Franklin did not see schools as the purveyors of all of the answers. He saw them constantly responding to the needs of the community rather than conforming scholars to the rigid classic mold.

Franklin's own life was a continuous self-educational process. Practical wisdom was his aim. We find nowhere in his writings the false concept of "completion of education." He saw no limitations to what an individual could learn.

When eight bachelors and four masters received their degrees here 200 years ago, the Continental Congress was groping its way to a fateful decision as to the direction this country should take in the future. But there was also much talk of the past, for the delegates were determined not to repeat its mistakes.

One of the young commencement speakers in 1775 held forth on "The Fall of the Empires," which he attributed to excesses of luxury, venality, and vice. He was not far wrong, and he wound up by looking far into the future and expressing the hope—his hope for America—that amidst the wide waste of empires, this one corner of the globe may at least remain the last asylum of truth, righteousness, and freedom.

Freedom was on everybody's lips that day in May 1775, just as it is in May of 1975.

The news of Lexington and Concord, though nearly a month had passed, had just reached Philadelphia newspapers. But there was by no means unanimity for independence; indeed, I suspect if there had been a public opinion poll in those days, they probably would have showed a great majority of Americans considered themselves loyal Englishmen and wanted no war.

As we read the records of 1775, we find a spirited debate. It was actually in progress right here on this campus, as well as in the nearby deliberations of the Continental Congress, between the proponents of individual liberty and independence and the defenders of discipline and order.

In the long, long perspective of two centuries, it is clear to us today that both sides were right. The American Revolution was not a single shot fired or heard round the world. It was, as John Adams warned, a long, obstinate, and bloody war that lasted 6½ years, followed by another period of political experimentation in which the weak and the divided infant nation barely survived.

But the most remarkable thing about the beginnings of our Nation is that the men of the Revolution stuck to it until it was finished. Their mutual pledges of their lives, their fortunes, and their sacred honor were more than empty words. In breaking with the past, they did not neglect to build a better system for their posterity.

Today, we look back 200 years, not merely to take pride in our history, although we do; not merely to mark the high priority which Americans have always accorded to education and higher learning, although we do. We look back during this Bicentennial to learn some practical lessons for today and tomorrow.

As a nation, we have recently gone through some very rough times. We have experienced military and diplomatic setbacks, but Washington and Franklin survived experiences far, far worse. Inflation, high prices, unemployment, recession—all of these problems were more pressing in 1775 than they are in 1975, that is, if one believes the rhetoric of the Continental Congress and the lively reports of the colonial press.

But these are not the real lessons of the American Revolution. The real lesson of our Revolution is that national goals can be achieved only through a combination of national purpose and of national will.

The Thirteen Colonies in the very beginning were weak militarily, dependent economically, and divided politically. Gradually, they found their goals and articulated their purpose—in Tom Jefferson's words—life, liberty, and the pursuit of happiness.

But the national will that saw the struggle through to its successful conclusion was better expressed by the patriot farmer who said as he picked up his musket, "We'll see who's going to own this farm." I believe that spirit is very much alive in America today.

I am immensely proud of the marines, the airmen, and the seamen who rescued their captured countrymen. Their skill and courage, their dedication and sacrifice makes us all humbly grateful and very glad that a greater danger was averted.

But we must not forget that the jubilant cheers that greeted the peeling of the Liberty Bell were followed by the trial and the testing of Valley Forge.

National will comes from a consensus of national purpose, from the collective agreement among thinking citizens as to the goals they seek as a nation.

A free people will never find unanimity, but a people must be united in the pursuit of certain common goals in order to remain free.

The goals that were proclaimed here in Philadelphia, after a dozen years of war and wrestling with the problems of a new kind of self-government society, are as valid today as they were in 1787: to form a more perfect Union, establish justice, ensure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and to posterity.

We need add to these original goals only the implicit one of striving to preserve and to advance the cause of peace and harmony among all nations and all peoples. We do not need nobler or newer goals. We do need a renewed sense of national purpose and a strengthening of our national will to pursue these goals.

In a sense, our American Revolution was never ended. We are unique people in that we are at the same time eminently practical and incurably idealistic. Americans are always more interested in the future than in the past. We expect and we demand that tomorrow will be better than today.

While I have spoken of national goals, I know that each of you—and rightly so—have individual goals and that the celebration of this day is clouded by the immediate problem of furthering those goals by finding meaningful employment.

Almost a million young Americans graduating from institutions of higher learning this year are faced, through no fault of their own, with economic difficulties greater than any since the period of my own commencement with the class of 1935.

As President, my first objective has been to overcome current economic problems. Our national goal is jobs for all who want to work and economic opportunity for all to want to achieve.

Government—your government, mine—must follow policies that enable and encourage the private economic system to create more meaningful jobs in the real world. Greater productivity is the only sure way to greater prosperity and a better life for everybody.

Yes, we are coming out of this recession. We are on our way back. And we are on the right track. We cannot be satisfied with simply getting back to where we were, and we will not.

We must redefine, as I see it, our national purposes and pursue them with a

renewal of national will. On our 200th birthday, shall we occupy ourselves questioning our limitations or exploring our possibilities?

Shall we conclude from two centuries of American experience that we can do [no] more, or that we can do much, much, much more? I think the answer is very simple. We will do the latter. The United States of America that evolved from the uneasy disputations and heated debates here in Philadelphia has now before it a chance to write a new declaration of interdependence, among ourselves and with all peoples.

We must infuse our institutions with a new realism built on the old idealism—and we will.

We must develop a vast new energy industry that will spur employment and ensure economic security—and we will.

We must expand the control of each individual over his or her own life, liberty, and the pursuit of happiness—and we will.

We must increase the participation and influence of every citizen in the processes of self-government and the shaping of national consensus—and we will.

We must lead humanity's everlasting effort to live harmoniously with nature, employing the technology to the enrichment of spirit as well as body—and we will.

We must sustain and strengthen our alliances and partnerships with other freedom-loving nations as we seek cooperation and rational relations with all peoples—and we will.

We must maintain our vigilance and our defenses as a symbol of our undiminished devotion to peace and a lawful world—and we will.

Finally, perhaps more importantly, we must declare again the brotherly love in which this great Commonwealth was founded. We must learn to trust one another and to help one another. We must pledge anew to one another our lives, our fortunes, and our own sacred honor—and we will.

Benjamin Franklin told the Constitutional Convention in those early years that “much of the strength and efficiency of any government, in procuring and securing happiness to the people, depends on opinion—on the general opinion of the goodness of that government as well as [of] the wisdom and integrity of its governors.”

As President, I value your good opinion and hope always to deserve it. And I ask the graduates of 1975 to work with me on America's new agenda, just as the class of 1775 joined in proclaiming a new era of liberty and hope. They did well by us. We must do even better by Americans yet unborn.

Thank you.

[The President spoke at 3:40 p.m. in the Philadelphia Civic Center Auditorium. Following his address, he proceeded to the Exhibition Hall at the Civic Center to speak to an overflow crowd at 4:15 p.m. as follows:]

President Meyerson, distinguished parents, friends—well, just nice people:

It is great to be here. I was thrilled by the opportunity to participate in this wonderful occasion to honor the graduates who have earned their degrees at the University of Pennsylvania.

I was saying to the president, it just makes one feel good to come to a great university campus and to see the enthusiasm, the good will that is so healthy and fine for America as we face some of the problems between now and our next 100 years.

But the thing that is wonderful, as I look at it—we have some difficulties, but the spirit of America is strong and healthy, it is visionary, it is generous, it is human, and this is the way it was 200 years ago and for our country's life for 200 years.

So, what they gave us we can build on, and that should be our mission for those yet unborn.

Thank you very, very much.

NOTE: Prior to his address, the President received an honorary doctor of laws degree from Martin Meyerson, president of the University of Pennsylvania.

Earlier in the day, the President attended a luncheon for faculty members and honorary degree recipients at the University of Pennsylvania Museum.

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Remarks at a Reception in Philadelphia Honoring Senator Hugh Scott. May 18, 1975

Mr. Segal, Senator Scott, and lovely wife Marian, distinguished guests, ladies and gentlemen:

I am really honored and privileged to be here with the American Friends of Lubavitch. *Shalom.*

Obviously, it is a great privilege and pleasure for me to be here today to join with all of you in honoring my very, very good friend, Hugh Scott, a colleague of mine in the Congress for many, many years.

I am deeply grateful for the many, many instances where Hugh has given me good counsel and fine support, and there is no way that I can ever adequately repay him for his friendship. I might even go so far as to say that Hugh

is one of the first people I turn to when I have *tzores* (troubles). And in the last few weeks, have I had *tzores*. [*Laughter*]

Today, it gives me a great deal of personal pleasure to add my voice to yours as we say to Hugh Scott on this very, very special occasion, *mazel tov* (good luck).

I think we all recognize that we are blessed in countless ways in this great country, not the least of which is the quality and the character of the men and women who give life to America. The leadership of a great people in a democracy makes special demands on a public official. He must have the desire to know what is on the people's minds, the wisdom to know what is in their hearts, and the courage to know what to do is right.

All of these qualities are possessed in abundance by the man you honor today. I have known Hugh Scott for 27 years. I have valued, as I said earlier, his personal friendship. And I have admired his complete and total integrity. There are very, very few public officials who have so successfully combined the serious duties of statesmanship with the good humor and the good grace which are Hugh Scott's trademarks.

You honor Hugh today for his staunch and steadfast support he has given to the State of Israel since its creation 27 years ago. It's an honor he richly deserves, and I know that he cherishes it. The rest of the Nation continues to honor him as a man of conviction with a talent for compromise; a man of experience who looks into the future; a man of integrity with a little twinkle in his eye; a man of intellect who can do battle with the best of them in the toughest struggle in the Congress or in any other political arena.

This is the total man that I know as Hugh Scott, a man that the Commonwealth of Pennsylvania dearly loves—the man today that you honor and pay tribute to. The library center in Israel which you are dedicating to his name, and that of his lovely wife Marian, is a fitting honor, signifying as it does the wealth of knowledge which man has gathered through the ages and the use of that knowledge in constructive and purposeful purposes.

Nothing could characterize better Hugh's own life, nor reflect more accurately the philosophy of your movement. You are committed to preserving the deep and very abiding faith of the Jewish tradition for young and succeeding generations. Your devotion has won the respect and the admiration and, I might say, the appreciation of thousands in this country and around the world. One reason is the leadership of Rabbi Schneerson, who is observing his 25th anniversary this year as the head of this movement.

My wish for you tonight was best said by one of my predecessors in the

White House, and I quote: "May the children of the stock of Abraham who dwell in this land continue to merit and enjoy the good will of [the] other inhabitants."

And the quotation goes on as follows: "May the father of all mercies scatter light, not darkness in our paths, and make us all in our several vocations useful here, and in his own due time and way, everlastingly happy."

The President who wrote those words was George Washington. The year was 1790. The spirit of what he said is as alive today as it was then.

My congratulations to Hugh Scott, to Marian, and my thanks to all of you for letting me join with you in paying this tribute to them.

May God bless you all.

NOTE: The President spoke at 5:11 p.m. in the Commonwealth Ballroom at the Marriott Motor Hotel at a reception sponsored by the American Friends of Lubavitch. The library named in honor of Senator and Mrs. Scott was located in Kfar Chabad, Israel.

In his remarks, the President referred to Rabbi Menachen Schneerson, leader of the movement in the United States, and Bernard G. Segal, former president of the American Bar Association.

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Remarks by Telephone to a Dinner in Manchester, New Hampshire, Honoring Former Senators George Aiken and Norris Cotton. May 18, 1975

I WANTED to call and to express my great appreciation for the small business people throughout the northeastern area—Vermont, New Hampshire, Massachusetts—for their superb effort in membership, as well as philosophically, for the things that I think are pretty fundamental in our American society.

I am delighted, David [Brinkley], that you are participating in this with your great knowledge and expertise, information concerning what goes on here in Washington.

Of course, Norris Cotton and Senator Aiken are two of my very favorite people. They served with me for all of the time, really, that I have served in the Congress of the United States, and I know of their total dedication when they were in the House as well as in the Senate, for what was good in making small business as a force and a factor in the economy of the United States.

I've had an opportunity to look, of course, at the total economy. And we hear, ordinarily, about what big corporations do here or there. But it's my judgment that the strength of America really comes from the small business people who provide services, provide production, provide research and development.

That's what makes America strong. And I congratulate the 1,200 small businessmen in the northeastern area of our country for their substantial contribution, substantively, but more importantly in a philosophical way, in making America the kind of a country that we have today.

If I might just add a point at this situation, America has had the problem of being tested at home and challenged abroad. The strength of America is its vision, its dedication, and I have the utmost faith in individuals in small groups, in what is necessary and essential to make America the kind of country that we all believe in.

I respect, of course, the manufacturing and production geniuses of our country. They're wonderful. But the chips that I think are important ought to be put on the guy or the gal—I guess we have to do that now, don't we—[*laughter*]*—*who, through their little store, their little factory, their little service organization, produce for what people want, what people can get from our kind of society.

David, I just think you're wonderful to be up here with all of these fine people from Vermont, New Hampshire, and Massachusetts. And give them the good old pitch for a better America, a country that went through not only the crisis of the last week, the crisis of the last month—but we took some lickings but we came back strong, because the character of America is the foundation of our success.

God bless every one of you. May I add this one thing: Senator Aiken and Senator Cotton epitomize the strength that I've been talking about, and I thank both of them for their great contribution to a wonderful country that can go from adversity to success, because 213 million Americans believe in this country and believe in a better world for everybody.

David, thank you very much.

Norris, how are you?

SENATOR COTTON. Fine, Mr. President. It is nice to hear your voice. You are most kind to speak so well of Senator Aiken, who deserves it, and Norris Cotton, who deserves part of it. [*Laughter*]

THE PRESIDENT. Well, I know you both, and what I said about both of you I believe. And don't give me any hard time, Norris.

SENATOR COTTON. No, no, I won't, I won't, indeed.

THE PRESIDENT. Do you have any little stories that you know about me?

SENATOR COTTON. No, I couldn't tell the stories tonight because—I have five of them, and I was only allowed to tell one because you were going to call up here. [*Laughter*]

But, Mr. President, I am happy to inform you that you are in. David Brinkley was asked to predict and he predicted your reelection, didn't he? He pulled out a couple of other boners, too. [*Laughter*] But that was real endorsement.

And seriously, I think that I would gamble that four-fifths of the people here tonight are pretty proud of you for what you have just done in the last week. I want to tell you that. You heard the applause, and that's better than my voice. I'll give up the phone now.

THE PRESIDENT. Norris, let me just say this: The execution of the order, or orders—that was easy, because I knew that we had great marines, great airmen, great seamen, great soldiers who would carry out those orders and do what was right for America and do it successfully.

We have to support them. They are fine young people, well-led, well-equipped, and they proved what we have all said—that we are strong, we are tolerant, we are cautious but firm. This is what America has to be as we move into the days ahead. We should thank them. That is the important thing.

David, I hope you enjoy it up there. They are great people, and I thank you for the opportunity of just saying a word or two.

MR. BRINKLEY. Well, thank you, Mr. President. Some of those in the room look forward to seeing you in March.

THE PRESIDENT. I'll be up there. Thank you very much.

NOTE: The President spoke at 8:30 p.m. by telephone from the White House. The dinner, held at the Sheraton-Wayfarer Hotel in Manchester, New Hampshire, was sponsored by the Northeast Busi-

ness Group and the Small Business Service Bureau. David Brinkley of NBC News was master of ceremonies.

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Remarks Upon Establishing the President's Advisory Committee on Refugees. May 19, 1975

Members of the Congress, members of the Advisory Committee, members of the Federal Establishment, members who are here just to participate:

It is a great privilege and pleasure for me to welcome you to the White House on this occasion. I definitely am grateful for your coming to Washington on this occasion on such short notice, but time is of the essence.

If I might, I would like to now sign the Executive order and make a few comments at a later point.

[*At this point, the President signed Executive Order 11860 and then resumed speaking.*]

We have a big job to do, and we have asked some outstanding people from all

segments of our society to participate. I am delighted, of course, to have John Eisenhower act as Chairman. His experience in Government, his leadership will be invaluable as we try to meet this critical problem as quickly and as successfully as possible.

We got a great deal of support from many segments of our society. I was extremely pleased when we received a telegram from George Meany of the AFL-CIO. I'm sorry George couldn't be here, but he is well represented.

We received a number of other communications from individuals and groups—business, agriculture, professions, labor, of course, many church organizations, government, State as well as municipal. The response has really been most heartwarming and very encouraging to those of us who felt that our country had an opportunity to again reassert the open door policy that we have had for so long on behalf of people who wanted to come to this great land.

It seems to me that, as we look back over our Nation's history, most, if not all of us, are the beneficiaries of the opportunities that come from a country that has an open door.

In one way or another, all of us are immigrants. And the strength of America over the years has been our diversity, diversity of all kinds of variations—religion, ethnic, and otherwise.

I recall very vividly a statement that seems apropos at this time, that the beauty of Joseph's coat is its many colors. The strength of America is its diversity.

The people that we are welcoming today—the individuals who are on Guam or in Camp Pendleton or Eglin Air Force Base—are individuals who can contribute significantly to our society in the future. They are people of talent, they are industrious, they are individuals who want freedom, and I believe they will make a contribution now and in the future to a better America.

We do have some difficulties in trying to assimilate as quickly as possible some 100,000-plus. But the Congress has responded, organizations are participating, administrative people are working literally night and day. And the net result is we are making headway and progress.

I don't mean to discount the problems, but all of you and those that you represent can help tremendously in the days ahead.

I can assure you that we will give maximum attention, we will make every conceivable effort to see to it that your job is made easier so that our new friends can start a new life in this great country.

We are a big country. Some 35,000 heads of family are joining us. Sixty-five percent of those who are coming are children. They deserve a better chance. They deserve the warmth and the friendship which is typical of America.

I just thank all of you for what you have done and what you will do in making this job easier and better for people that we want as good Americans.

Thank you very, very much.

NOTE: The President spoke at 12:07 p.m. in the East Room at the White House.

On the same day, the White House released an announcement of the appointment of 17 members

of the Committee. The announcement is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 533).

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Special Message to the Congress Proposing Reform of Railroad Regulations. May 19, 1975

To the Congress of the United States:

I am today sending to the Congress the Railroad Revitalization Act. This legislation is the result of several years of study and consultation with industry and Congressional authorities. It builds on the Surface Transportation Act which was overwhelmingly passed by the House of Representatives last December. In view of the prior work in the 93rd Congress and the serious needs of the Nation's railroads, I am confident that the Congress can and will act quickly.

The purpose of this legislation is threefold: (1) To improve the regulations under which the railroads operate and promote economic efficiency and competition, (2) to provide necessary financial assistance to improve and modernize rail facilities, and (3) to encourage rational restructuring of the Nation's railroads and improve their long-term viability. To achieve these objectives, the legislation proposes specific amendments to the Interstate Commerce Act to permit increased pricing flexibility, to expedite ratemaking procedures, to outlaw anticompetitive rate bureau practices and to improve and expedite merger and other restructuring actions. In addition, the bill will make available \$2 billion in loan guarantees.

Submission of this bill is part of my Administration's overall program to revitalize our entire free enterprise system. It is the first of several legislative proposals seeking fundamental reform of the regulatory practices which govern the economics of the transportation industry. Such regulation, established long ago, in many instances no longer serves to meet America's transportation or economic needs. Consumers too often bear the costs of inefficient regulation in the form of either inadequate service or excessive cost. Therefore, in addition to this railroad bill, I will soon submit proposed legislative reforms for both trucking and airline regulation. Taken together, these proposals, when enacted,

could save consumers billions of dollars annually and conserve substantial amounts of scarce energy resources.

While I recognize the state of our entire transportation system needs treatment, I am well aware that the Nation's railroads are in a crisis. Large parts of the rail system are in a state of physical deterioration. Some railroads are in bankruptcy and others are on the brink of financial collapse. For this reason, I am sending to the Congress railroad reform proposals first, and I urge action without delay.

The rail problem has been neglected too long and the desperate condition of the industry is indicative of this neglect. We must begin at once a major and massive initiative to restore the vitality of this essential industry. I have established for this Administration a goal that calls for the complete revitalization of the Nation's railroad system so it can serve the needs of modern America. We are moving forward with a program to assure a healthy, progressive rail system. The Railroad Revitalization Act is a critical part of this program. I have directed the Secretary of Transportation to lead this effort and to make its achievement one of his prime concerns.

A major problem faced by the railroad industry is outdated and excessive Federal regulation. Much regulation, originally imposed to prevent monopoly abuses and promote development in the western States, has long since outlived its original purposes. Indeed, Federal regulation has grown so cumbersome that it retards technical innovation, economic growth, and improved consumer services. The legislation I propose will improve significantly the regulatory climate in which all railroads operate. Removal of unnecessary and excessive regulatory constraints will enable this low-cost, energy-efficient form of transportation to operate more effectively, to provide better service, and to more fully realize its great potential. The increased efficiencies resulting from these reforms will produce energy savings on the order of 70,000 barrels of oil per day.

In addition to improving the regulatory environment in which the Nation's rail system functions, this legislation will make available to the rail industry financial assistance which it must have to accomplish necessary modernization of outdated plant and equipment. This assistance will be in the form of \$2 billion in long-term loan guarantees so that the Nation's railroads can repair deteriorating roadways and obtain badly needed modern equipment and facilities at reasonable costs. In addition, discriminatory State taxation of the rail industry will be outlawed.

The legislation will also provide special procedures to hasten major restructuring of the rail industry by enabling the Secretary of Transportation, as a

condition for granting financial assistance, to require applicants to undertake fundamental restructuring actions. These actions will be governed by expedited merger procedures under which the Secretary and the ICC can facilitate the desired restructuring. I have directed Secretary Coleman to take all steps necessary to cooperate with the Congress so that this important and vital legislation can become law in the very near future.

In view of the rail system's role in our Nation's economy, I urge the Congress to give this measure immediate consideration. The importance of regulatory reform to the efficiency of our transportation system cannot be over-emphasized. While special interests may resist these necessary changes, I am confident that the benefits to the American people will be so great and so clear that the Congress will act quickly.

GERALD R. FORD

The White House,
May 19, 1975.

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**Remarks on Greeting Participants in the White House
Fellowship Program. May 19, 1975**

Thank you very much, Mr. Chairman.

I am pleased and honored to participate in the ceremony.

Before making a comment or two about the newly selected, let me thank and congratulate those who have been in the program for this past year. They haven't quite finished, but they are in about a month or two, I guess, to finish or conclude their contribution to the Federal Government in the many responsibilities that they have had in the various departments including, of course, the White House.

But to the individuals who have just been selected, may I add, we are very proud of you. You went through a very rigorous screening process. As I understand it, there have been some 2,307 applicants. To have it winnowed down to this selected group of 14 indicates that we have an outstanding group of quality individuals coming from a wide variety of activities in nongovernmental life and, of course, some from the Government, the military. But as they start their labor sometime in September, I'm looking forward to the contributions that they can make to the Government—some in the White House, some in various departments.

We can learn from them, and I hope in the process we can reciprocate and help them. In the year that they are here, I trust that they will learn a little bit more about how the Government works—more good than bad, I trust—and I know when they go back to their respective occupations and responsibilities, they can interpret what Government does or seeks to do in a better way for the some 213 million Americans who are a part of our society.

It has been my privilege over the years to know a number of individuals who have been White House Fellows. We have two on my staff right now, Jim Connor and Warren Rustand, and we have also one of the 1974-75 White House Fellows in Roger Porter, who is a very great asset to our economic council.

I could only indicate my personal belief that the ones who have performed have done extremely well, and I am equally confident that the ones who have been selected will do as well, if not better, in the future.

So, I not only congratulate those that have been selected but I express, Mr. Chairman, my appreciation to the individuals on your Commission who have gone through 2,307 applications, which is not an easy job, and to select the 14 finalists.

I thank you and your associates. Good luck to all.

NOTE: The President spoke at 5:08 p.m. in the Rose Garden at the White House. In his remarks, he referred to Miles W. Kirkpatrick, Chairman of the President's Commission on White House Fellowships.

On the same day, the White House released an announcement of the appointment of the 14 Fellows for the 1975-76 program. The announcement is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 534).

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Veto of a Surface Mining Control and Reclamation Bill.

May 20, 1975

To the House of Representatives:

I am today returning without my approval, H.R. 25, the proposed Surface Mining Control and Reclamation Act of 1975. I am unable to sign this bill because:

1. As many as 36,000 people would lose jobs when unemployment already is too high.
2. Consumers would pay higher costs—particularly for electric bills—when consumer costs are already too high.

3. The Nation would be more dependent on foreign oil—when we are already overly dependent and dangerously vulnerable.

4. Coal production would be unnecessarily reduced—when this vital domestic energy resource is needed more than ever.

America is approaching a more serious domestic energy shortage, and we are not facing up to it.

We can develop our energy sources while protecting our environment. But this bill does not do that. I have supported responsible action to control surface mining and to reclaim damaged land. I continue to support actions which strike a proper balance between our energy and economic goals and important environmental objectives.

Unfortunately, H.R. 25 does not strike such a balance.

Since I submitted my comprehensive national energy program earlier this year—a program which included a tough but balanced surface mining bill—our energy situation has continued to deteriorate. With domestic energy production continuing to drop, we are today more vulnerable to the disruption of oil supplies than we were during the Mid-East oil embargo. We will be even more vulnerable as our economy recovers and energy consumption increases. This vulnerability places us in an untenable situation and could result in new and serious economic problems.

Coupled with this steadily deteriorating situation is the fact that the Congress has yet to act on a comprehensive energy program capable of achieving goals on which we all agree. Several Congressional committees have worked hard to develop solutions. Unfortunately, their proposals are inadequate to achieve the energy objectives I have set.

As the one abundant energy source over which the United States has total control, coal is critical to the achievement of American energy independence. In the face of our deteriorating energy situation, we must not arbitrarily place restrictions on the development of this energy resource.

It is with a deep sense of regret that I find it necessary to reject this legislation. My Administration has worked hard with the Congress to try to develop an acceptable surface mining bill and other energy programs which could, when taken together, enable us to reduce energy imports and meet environmental objectives. While the Congress accepted in H.R. 25 some of my proposals, it rejected others necessary to reduce the adverse impact on coal production and to clarify various provisions of the legislation to make it precise and more workable.

The Department of the Interior and the Federal Energy Administration now

advise me that, if this bill were to become law, a production loss of 40 to 162 million tons would result in 1977. This would mean that six to twenty-four percent of expected 1977 coal production would be lost. Actually, production losses resulting from H.R. 25 could run considerably higher because of ambiguities in the bill and uncertainties over many of its provisions.

The bill I sent to the Congress in February would have also entailed production losses estimated between 33 and 80 million tons. Even though these losses would have been substantial, we could have accepted them if Congress had enacted the comprehensive energy program I proposed. But, now the potential losses of H.R. 25 are intolerable.

The reduction in coal production would mean that the United States will be forced to import more foreign oil. To demonstrate the seriousness of this problem, it is estimated that we would be forced to import an additional 215 million barrels of oil a year at a cost of \$2.3 billion for every 50 million tons of coal not mined. At a time when our dependence on Mid-East oil is expected to double in just 2½ years, I believe it would be unwise to further increase this dependency by signing into law H.R. 25. This kind of setback in coal production would cause our dependence on Mid-East oil to triple by 1977.

Additional reasons for withholding approval of H.R. 25 are its legislative shortcomings. These include:

- Ambiguous, vague and complex provisions—as the record of Congressional debate indicates. The bill would lead to years of regulatory delays, litigation and uncertainty against the best interests of achieving either our environmental or energy objectives.
- Cumbersome and unwieldy Federal-State regulatory and enforcement provisions. H.R. 25 would inject the Federal Government immediately into a field which is already regulated by most states. Since 1971, 21 states which produce over 90 percent of the nation's surface mined coal have either enacted new environmental legislation governing surface mining or have strengthened laws already on the books.
- H.R. 25's tax provisions which would be excessive and unnecessarily increase the price of coal.
- Its provisions which enable State governments to ban surface mining of coal on Federal lands—thus preventing a national resource from being used in the national interest.
- Its provisions permitting the Federal government to pay private landowners 80 percent or more of the cost of reclaiming previously-mined land, leaving

title to the land in private hands, could provide windfall profits at the expense of coal consumers.

In short, I favor action to protect the environment, to prevent abuses that have accompanied surface mining of coal, and to reclaim land disturbed by surface mining. I believe that we can achieve those goals without imposing unreasonable restraints on our ability to achieve energy independence, without adding unnecessary costs, without creating more unemployment and without precluding the use of vital domestic energy resources.

GERALD R. FORD

The White House,
May 20, 1975.

NOTE: The House of Representatives sustained the President's veto on June 10, 1975.

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Remarks at the Freedom Day Celebration in Charlotte, North Carolina. May 20, 1975

Congressman Jim Martin, Governor Holshouser, Senator Helms, Senator Morgan, Mrs. Hair, Mayor Belk, Chairman Whitney, Reverend Billy Graham, ladies and gentlemen:

It is a tremendous privilege and a very high honor to have the opportunity of being in this great city, county, and this wonderful State, and I thank you from the bottom of my heart for this warm welcome.

I must admit I was a little apprehensive about coming to the "Hornet's Nest"¹—[*laughter*]¹—after I heard what happened to President Wilson on May 20, 1916, 59 years ago. Reportedly, it was a very similar outdoor ceremony. Members of the band in their heavy ceremonial garb were dropping like flies from the heat.

Colonel Thomas Leroy Kirkpatrick, the mayor of Charlotte, stepped up to the rostrum to introduce President Wilson. He got carried away a bit with the festivities and spoke for 50 minutes. [*Laughter*] Needless to say, the President barely had time for hello and goodbye before he ran to the train ready to pull out from the station.

I sincerely thank Jim Martin for departing from that precedent today. [*Laughter*] But I am sure you do, too.

As I said, I am most delighted to be in Charlotte today to enjoy the wonderful

¹ Nickname for the Charlotte-Mecklenburg area, dating back to the Revolutionary period.

spirit of this unique observance of our national Bicentennial. And I am very humble knowing that many Presidents of the United States have come to Charlotte and to Mecklenburg County.

I congratulate the county and all of North Carolina on the Bicentennial enthusiasm expressed here today. It is a magnificent turnout with the right spirit and the right aim and objective, and I thank you on behalf of all of your fellow Americans in the 49 other States.

As I look out at this tremendous crowd, I see this gathering as a symbol of the pride of Americans in their community, in their State, and in their Nation.

In recent years, America has undergone change after change, some still taking place with rapid and almost bewildering speed. But amidst all this change, our most cherished values have remained as steadfast as when instituted by the fathers of our country.

I refer to America's capacity for unity in diversity, for courage in the face of challenge, for decency in the midst of dissension, for optimism in spite of reverses, and for creativity in adapting to the rapidly changing world in which we live today. Our destiny in this year of our Bicentennial is to emerge as an even greater Republic in the days and months and years ahead—and we will.

When the United States celebrated its first 100 years in 1876, the South was still recovering from the tragic War Between the States. This was America's most terrible ordeal. Yet America and the South have risen again.

It has been my good fortune in my lifetime to spend a great deal of time in North Carolina—during World War II, in law school, many visits here—one of my sons attended one of your great educational institutions, Wake Forest. And this wonderful personal experience of meeting so many and getting to know so many North Carolinians proves to me that North Carolina is a showcase of a State that reveres the values of the past while leading the way toward a progressive future.

Tar Heel tenacity is the American tenacity. The Tar Heel pride is the American pride. And the Tar Heel moderation typifies America's new realism. And I congratulate you in each and every case.

This State, and the rest of the South, knows firsthand the changes of which I speak. And I am proud of the great breakthroughs in education and industry in the South, a region today which numbers some 67 million people, nearly one-third of our total population.

This is an area where family income has increased more in the last quarter century than in any other part of the United States. Today, personal income is rising more rapidly right here than in the rest of our great country. Southerners,

including Tar Heels, must be doing something right. You know it and I know it, and we are all proud of it.

According to all the statistics, more people are moving today into the South than away from it. This wonderful part of our Nation is today growing more rapidly than almost any other part of the United States of America, and for good and sufficient reason.

You have so many accomplishments to take pride in. In Southern education, expenditures per pupil have increased by more than 220 percent in the last 25 years—far more than the Nation as a whole. The number of high school graduates has increased at a much greater rate than in the rest of the country. There are significant increases in those attending your wonderful institutions of higher learning.

In industry, the South has today moved from a basic agricultural society to a modern industrial region which manufactures approximately one-quarter of our total Nation's output. This is a great comeback from the economic conditions of a century ago.

I cite these statistics because they verify the potentialities of the South, yes, and of all America. But it is not the statistics that inspire us today. It is the spirit of the American people. It is the patriotism, the dedication, the willpower of the Thirteen Original States which still live in the South and across America today. It is the vision of the future rather than the mirror of the past which you hold so deep within yourselves. And I commend you individually and collectively for the vision, the dedication, the patriotism, and the willpower.

At the time of the American Revolution, some said that America could not defy the odds that confronted them and us today. There were some who would roll over and prostrate themselves in self-pity and hopelessness. But there were many, many more who said, "We are Americans. We can do it!"

They did it, and we can do it!

They were proud to be Americans, just as we are today proud to identify ourselves with the traditions which made us great and the national character which will keep us that way.

Our Centennial in 1876 was a renewal and rededication by Americans to our highest aspirations. Americans—Southerners, Westerners, Easterners, Northerners—all looked to the future.

America emerged from an agricultural and frontier society into an industrial age. Towns evolved into great cities. Rail transportation and telegraph and telephone tied this vast continent together.

Today, it is our turn to renew our pride in America and rededicate ourselves to the future.

Our challenge—yours and mine and 213 million other Americans—like the Centennial task of 100 years ago, is to create a new agenda at home and strong policies abroad for America's third century.

We must rise above those divisions that have scarred our national life in recent times. We must once again become one people, strong and unified in our national purpose.

The new strength and new dynamism of the South, coupled with the cherished traditions, can help America achieve this essential unity. I look to you for leadership in forging a new destiny for America from the heritage which we commemorate today.

I know that the spirit of liberty—so evident in North Carolina at the time of our Revolution—will guide us in the days ahead. Those early stirrings of patriotism and dedication to our way of life are very much with us every hour and every day.

The South as a region and North Carolina as a State and Mecklenburg as a county will continue in the future as they have in the past to provide inspiration to our great Nation.

I join in working with all of you as wonderful citizens of this great region of our country and working with all Americans in all 50 States to build a better America together. And we can do it!

Thank you very, very much.

NOTE: The President spoke at 1:02 p.m. at Freedom Park. In his opening remarks, he referred to Liz Hair, chairman of the Mecklenburg County

Commission, and A. Grant Whitney, chairman of the Charlotte-Mecklenburg Bicentennial Committee.

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Remarks on Greeting Recipients of the Small Business Awards of 1975. May 21, 1975

Thank you very much, Mr. Powell. Tom Kleppe, my friends from the Congress, Senators Moss and Jake Garn, and Congressman Gunn McKay:

I am extremely pleased to have the opportunity of participating in this ceremony today, where we are recognizing outstanding people in the field of small business.

Statistically—and I think this is very interesting—small business today includes about 9 million businessmen or businesswomen; it also includes about 45 percent of our total gross national product; and they include approximately 55 percent of our total labor force in the United States. So, small business represents a significant portion of our total business enterprise in the United States.

If we look back on the history of this country, I think it is very clear that small business has significantly participated in the taming of the frontier, in the building of our major metropolitan areas, and making our free enterprise system work.

So, it is a great privilege for me to have a part in this ceremony. I happen to come from a family that had something to do in the small business world. My father started a small business in 1929 with a partner, and that was not a very good year to start a small business. But through hard work on his part and that of his partner, the business survived during the Depression. It grew a bit, but always remained—and is today—a small business in the number of employees they have and the amount of business they do.

So, I know the trials and the tribulations of a small business, and I respect and admire those who start them, make them work, and contribute to a society in which we are all the beneficiaries.

So, at this time, let me congratulate Bruce for the work that he has done, and let me congratulate Henry for the work that he has done, and Harvey Stump and R. V. Jack, and the Stones, as well as the Mitchells. They have achieved real greatness in their area, but they represent a tremendous segment of our society which is vital and important to the success of our country.

So, it is a pleasure to not only be here but to have a very small part in this recognition.

NOTE: The President spoke at 12:06 p.m. in the Rose Garden at the White House. In his opening remarks, he referred to Reed Powell, chairman of the Small Business Administration National Advisory Council, and Small Business Administrator Thomas Kleppe.

The awards, given annually by the Small Business

Administration, were presented on May 28, 1975, to Bruce Torell, of East Hartford, Conn.; Henry Kuras, of Fairfield, N.J.; Harvey Stump, Jr., of Newbury Park, Calif.; R. V. Jack, of Portland, Oreg.; Mr. and Mrs. Don J. Stone, of Provo, Utah; and Mr. and Mrs. Steven K. Mitchell, also of Provo.

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**Message to the Congress Transmitting First Annual Report
on Development Coordination. May 22, 1975**

To the Congress of the United States:

I hereby transmit to the Congress the First Annual Report on Development Coordination, in accordance with Section 640B(d) of the Foreign Assistance Act of 1961, as amended.

This is an appropriate time for the first report on the policies and actions of the United States affecting the development of the low-income countries. Over the past decade, the economies of the developing countries have grown at an encouraging rate. This was partially because of American assistance. Consequently, many nations no longer need assistance on the concessional terms we once extended.

Unfortunately, there remain a number of very poor nations suffering from malnutrition and disease, poor educational opportunities, and very low incomes. Our policies must continue to reflect our belief that American well-being is intimately related to a secure and prosperous international environment and humanitarian and economic concerns that have for so long motivated our assistance programs. The increase in petroleum prices and the food crop shortfalls of the past several years—as well as world recession and inflation—have hit the poorest countries with particular severity.

In 1974, the United States worked with other industrialized nations and with various international agencies to adjust our assistance and trade policies toward the less-developed countries to meet the new situation and to ensure a coordinated and constructive response from the international community.

We have:

- adapted our bilateral development aid program to give more assistance to the poor majority in the developing countries.
- supported multilateral institutions as a means for worldwide cooperation to promote economic and social development.
- responded to the world food problem by increasing food aid to the needy countries by increasing our assistance to help them grow more of their own food and by working with other nations to get a fully multinational response to food issues in accordance with the recent World Food Conference.
- signed into law a new Trade Act which will help enable poor countries

to increase their trade with us, both by preferential treatment for their exports and by general lessening of barriers to world trade.

Much remains to be done. We must:

- work with other high income countries to help meet the continuing needs of the poorest countries in the present world economic situation.
- continue our efforts to meet the long-run problems of food scarcities through a coordinated program of increased food production in the poor countries, improved nutrition, increased food stocks and food aid, and research and development to boost food output everywhere.
- continue to provide opportunities for the developing countries to expand their trade with the United States and other industrialized nations.
- build on the results of the World Population Conference, fostering the maximum international cooperation in dealing with world population problems.
- find new techniques for working with those rapidly advancing countries that no longer require our concessional assistance, but are anxious to benefit from American skills and resources in their development programs.

The Development Coordination Committee was created to assist in ensuring that our policies and actions with respect to the developing countries are coordinated to reflect our interest in their welfare and improved quality of life, and to advise me on how our actions are affecting these poor countries and our own economy.

In recent years, there has been disillusionment with our ability to help others in this world. Our efforts have slackened. We have looked too much at our failures and not enough at our successes. While our economic problems at home are serious, we remain one of the most productive countries in the world. We have much to contribute and we have much to gain from economic cooperation with developing countries and from their economic progress. Our own prosperity will be enhanced if we remain true to our long tradition of assisting those in need.

If we help them to help themselves, we can work towards a stronger and more just international economy for the future, lessen human suffering, and increase our own security in a rapidly changing world.

GERALD R. FORD

The White House,
May 22, 1975.

NOTE: The report is entitled "Development Issues, First Annual Report of the President on U.S. Actions

Affecting the Development of Low-Income Countries."

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**Message to the Congress Transmitting Annual Report on
Coastal Zone Management. May 22, 1975**

To the Congress of the United States:

I am transmitting herewith the second annual report prepared by the Secretary of Commerce dealing with the first year of actual operation under the Coastal Zone Management Act of 1972. The report covers Fiscal Year 1974 during which time the initial funding for the program became available.

With the critical need to increase our domestic supplies of energy and other resources from the areas off our coasts, a high priority is attached to the necessity of carrying out these activities in a safe and orderly manner. For many States and localities, the existence of the coastal zone management program provides a means for assessing and preparing for the effects of new or increased developmental activity in their coastal areas.

This program also seeks to establish a partnership between the States and the Federal government in managing our coastal resources in a way that balances development and environmental concerns.

GERALD R. FORD

The White House,
May 22, 1975.

NOTE: The report is entitled "Report to the Congress on Coastal Zone Management—July 1973 through June 1974" (Government Printing Office, 30 pp. plus appendixes).

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**Remarks at a Reception for Former Members of Congress.
May 22, 1975**

I THINK you all realize that it is a great privilege and pleasure for me to get together on this fifth annual alumni gathering of the former Members of Congress.

I do hope that you have all had an enjoyable 2 days, and I hope that this final event will be an appropriate ending to this period of time that you have gotten together.

I can't help but say that this is one organization whose members have really made it. Most of you can sleep late each morning, get up when you feel like it, listen to the birds sing, linger over your coffee, spend 2 hours reading the news-

paper. But that isn't the best part. The best part is when you can look up from that newspaper, turn to your wife, and complain about the mess they are making in Washington. [*Laughter*]

I think most of you know the only political ambition I had for the 25 years that I served in the House was to be Speaker of the House. Well, I never made it. But during those 25 very rich and very fulfilling years, I did have the opportunity and the good fortune to make many close, warm friendships—friendships with some of the finest people that I think this country has ever produced. And I am glad to see so many of you here on this occasion.

There was something that meant a great deal to me in the House of Representatives the time that I served in the Congress. That was the very special relationship that Members of Congress had with one another, and that warmth and that friendship transcended the aisle.

I know it was true in the House. And I had a limited opportunity to observe it in the Senate, and it was my judgment the same feeling prevailed there.

The annual gathering of the former Members of Congress gives all of us an opportunity to renew those fellowships, those friendships, and to find out what each other has been doing and to talk about what we can do in the future.

It is my judgment that all of you are an invaluable national resource. You represent tremendous years and expertise in Government.

All of you have a great acquaintanceship with public issues and you obviously have an ability to articulate and advocate a point of view, and these characteristics, it seems to me, ought to be utilized in the months ahead.

I, for one, welcome your advice and welcome your counsel. And I might add a postscript: I have sure been getting it. [*Laughter*]

But nevertheless, I am delighted and pleased to see you all, and I hope and trust that these hours left in your 2-day gathering will be the most pleasant and the most enjoyable.

I now would like to ask all of you to join with me and go into the State Dining Room and have some refreshments.

Thank you very, very much.

NOTE: The President spoke at 5:09 p.m. in the East Room at the White House.

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Interview With European Journalists.**May 23, 1975****EUROPEAN VISIT**

ROBERT MACNEIL [British Broadcasting Corporation]. [1.] Next week, Gerald Ford makes his first visit to Europe as President of the United States. It is an omnibus mission: a summit with NATO heads of government, talks on the Middle East with Egyptian President Sadat, and meetings with the Governments of Spain and Italy.

Today, Mr. Ford has invited us to the White House to discuss the issues facing the West. It is the first time an American President has met European journalists in a television program of this kind.

My fellow reporters are Henry Brandon of the London Sunday Times, Adalbert de Segonzac of France-Soir, Jan Reifenberg of the Frankfurter Allgemeine Zeitung, and Marino de Medici of Il Tempo of Rome—all Washington-based correspondents of long experience.

Mr. Ford's travels come at a pregnant time. He leaves an America somewhat doubtful about its world role as it absorbs the sudden, final collapse in Indochina. He faces a Western Europe hungry for reassurance, but again somewhat doubtful of America's present will and capacity to back up that reassurance.

Mr. President, we are gathered in the room from which Franklin Roosevelt delivered his famous fireside chats to rekindle the American spirit during the Great Depression of the thirties. Do you see your travels to Europe as necessary to rekindle the spirit of the Atlantic Alliance?

THE PRESIDENT. I think the trip has a perhaps broader aspect or implication.

First, I should say that the closeness between the United States and the Western European countries has a long history and an important future. The trip, as I see it, is aimed at solidifying and making more cohesive this relationship—economically, diplomatically, and militarily.

I also see it as an opportunity for us to take a look at the past and consult about the future and to make our personal relationships even better.

And if we approach it with that attitude or with those viewpoints, it is my opinion that we, as well as the other allies, can make substantial progress.

EUROPE

[2.] MR. MACNEIL. So many commentators see the Europeans in need of some reassurance. Do you feel that is part of your mission?

THE PRESIDENT. I am sure that my presence there, and what we intend to say, and what we intend to indicate by our actions, will be very, very helpful in this regard.

MR. MACNEIL. Has your handling of the *Mayaguez* incident, in effect, done some of that work for you by reaffirming America's will to respond when challenged?

THE PRESIDENT. I am sure that both domestically in the United States, as well as worldwide, the handling of the *Mayaguez* incident should be a firm assurance that the United States is capable and has the will to act in emergencies, in challenges. I think this is a clear, clear indication that we are not only strong but we have the will and the capability of moving.

MR. BRANDON. Mr. President, it seems to me that the handling of the *Mayaguez* incident proved your own determined character, but not necessarily the American will. It was short, and it didn't need any Congressional decisions. What has weakened the credibility of the American commitments, I think, in the eyes of the allies are these restrictions and limitations that Congress has put on the Presidency. And then there is also feeling that a kind of neo-isolationism is rising in Congress. I was wondering how you would deal with this doubt in American credibility?

THE PRESIDENT. There has been a tendency, during and as an outgrowth of the American engagement in Vietnam—one after another, limitations placed on a President by the Congress.

Now, I believe there are some new indications that indicate that Congress is taking another look, and perhaps the *Mayaguez* incident will be helpful in that regard.

There were some limitations, but we lived within them. But it was rather short, and it didn't require an extensive commitment. But there are some things taking place in the Congress today that I think ought to reassure our allies that the United States—the President, the Congress, and the American people—can and will work together in an extended commitment.

Let me give you an illustration. This past week, the House of Representatives, in a very, very important vote, defeated an amendment that would have forced the withdrawal of 70,000 U.S. military personnel on a worldwide basis. And of course, that would have affected our commitment to NATO. And the vote in the House of Representatives was 311 to 95, as I recall. It was a much more favorable vote this year than the vote a year ago.

I think this is an indication that the American people are getting out from under the trauma of our problems in Vietnam. As a matter of fact, another

indication: Senator Mansfield—the Democratic leader in the United States Senate—has always, in the past, been demanding and favoring a withdrawal of U.S. military personnel from NATO. Just the other day, he publicly stated that he was reassessing his position and wondered if it was not now the time to perhaps keep our strength there until certain other circumstances developed.

During the debate in the House of Representatives, the Democratic leader, Congressman O'Neill of Massachusetts, said this was not the time or not the place or not the number for the United States to withdraw troops from overseas.

What I am saying is, we may be entering a new era, an era that will be very visible and very substantive in showing the United States capability and will to not only do something in a short period of time but to stick with it.

MR. BRANDON. Are you taking a Congressional delegation with you to Brussels?

THE PRESIDENT. No, I am not.

MR. BRANDON. I was wondering whether from the European point of view—I mean, I don't want to butt into Presidential business—it might not be very helpful for Members of Congress to explain the situation in Congress, and it may also have some advantages vice versa.

THE PRESIDENT. Let me answer it in this way: We have a continuous flow of Members of the Congress, Senators and Congressmen, traveling to Europe, and I think it is good. They meet periodically with their counterparts in various European countries. So, there is no doubt that the attitude of Congress will be well explained to heads of state and to other parliamentarians. I don't think it is necessary to take on this trip Members of the House and Senate.

MR. DE MEDICI. May I focus one moment on the shade of difference between the political and the military type of assurances the United States can give to Europe? Europeans are concerned not as much at the link between the American security and the European security but between American security and what we may call the future of European democracies, which are in trouble in some cases. How do you look at the all-political problem from this point of view?

THE PRESIDENT. We, of course, have to be most careful that we don't involve ourselves in the internal politics of any country, European or otherwise. We, of course, hope that there is stability in any and all governments, in Europe particularly, and that the political philosophy of the party that controls the country is one that has a relationship to our own political philosophy, not in a partisan way but in a philosophical way. And when we see some elements in some countries gaining ground—the Communist element, for example—it does concern us.

I think Portugal is a good example. We, of course, were encouraged by the fine

vote of the Portuguese people. I think the Communist party got only 12½ percent of the vote and the non-Communist parties got the rest. But, unfortunately, that vote has not as of this time had any significant impact on those that control the government, but nevertheless we approve of the political philosophy of the people of Portugal. We are concerned with some of the elements in the government.

MR. MACNEIL. Mr. President, could I come back to the Congressional question for a moment. Are you saying that as a result of the trends you see now in the Congress that you are no longer, as you were at your press conference on April 3, frustrated by the restrictions Congress has placed on the Chief Executive?

THE PRESIDENT. I said this was the beginning, perhaps, of a new era.

MR. MACNEIL. Could it lead to the Congress reversing itself on the War Powers Act?

THE PRESIDENT. I doubt that. I think the Congress felt that the War Powers Act worked reasonably well in the *Mayaguez* incident. But there are some other limitations and restrictions imposed by Congress which I think are counter-productive or not helpful—for example, the aid cutoff to Turkey. Turkey is a fine ally in NATO. We have had over a long period of time excellent political and diplomatic relations with Turkey. I am working very hard, for example, to try and get the Congress to remove that limitation on aid to Turkey.

We have been successful in the Senate. We hope to do so in the House. But there are some others, plus that, that I hope we can modify or remove in order for the President to act decisively, strongly, in conjunction with the Congress, but not hamstrung by the Congress.

MR. DE SEGONZAC. Mr. President, the Europeans have been deeply struck by a poll recently indicating that the American people would only accept military intervention to defend Canada and no other country. Now, this seems to indicate a deep sense of isolationism or at least neo-isolationism, and I wonder what you feel about that question, what you think of that poll, and how you think you can react against that trend in your own country?

THE PRESIDENT. I am positive that that poll was an aftermath of our involvement in Vietnam. I believe that the United States, the American people, will completely live up to any international commitments that we have. That poll was taken in isolation, so to speak. It was not related to any crisis or any challenge. I think the record of the American people in the past is one that clearly indicates we will respond to a challenge, we will meet a crisis and will live up to our commitments. The history is better than some poll taken in isolation.

MR. DE SEGONZAC. You don't feel that there is, then, an isolationist mood in America at this stage?

THE PRESIDENT. I think there was one developing during and even to some extent after the war in Indochina or in South Vietnam. But now that we are freed of that problem, it seems to me that the American people will feel better about their relationships around the world, will want me as President and will want the Congress as their Congress to live up to the commitments and be a part of an interdependent world in which we live today.

FOREIGN POLICY

[3.] MR. MACNEIL. Mr. President, could we move on to the relations with the Communist world and the question of détente. It seems to many that the United States is moving into a new emphasis in its foreign policy away from détente towards more support for the allies; in fact—Secretary Kissinger has even used the word—of a need for a new “abrasive” foreign policy. How would you describe the post-Vietnam foreign policy, and is it shifting away from détente?

THE PRESIDENT. I don't think there is a contradiction between reaffirmation and strengthening of our relationships with our allies and a continuation of détente.

The United States, through many administrations following World War II, has had a consistent foreign policy. It is my desire, as President, to build on this foreign policy that has been developed over the years.

It does encompass working with our allies in Europe, in the Middle East, in Africa, in Latin America, in Asia, and in other parts of the world, and I think by strengthening those relationships, it gives us a better opportunity to use détente for the purposes for which it was designed.

Détente was not aimed at solving all the problems. It was an arrangement—and still is—for the easing of tensions when we have a crisis.

Now, it can't solve every crisis, but it can be very helpful in some, and it can have some long-range implications; for example, SALT I and hopefully SALT II.

What I am saying is that our policy can be one of working more closely with our allies and, at the same time, working, where we can, effectively with our adversaries or potential adversaries.

MR. REIFENBERG. Mr. President, Secretary Kissinger has just repeated the American commitment to West Berlin. He called it, as I recall it, “the acid test of détente.” Now, the Soviet Union has recently challenged the four-power

status of Berlin by raising some questions about East Berlin. Do you think that this is helpful for détente or that this is something which goes into the general area that you just described?

THE PRESIDENT. It would seem to me the broad description I gave can be very applicable to the problem raised involving Berlin. If the allies are strong, that will have an impact on any attitude that the Soviet Union might take, and at the same time the existence of détente gives the Soviet Union and ourselves an opportunity to work in the solution of the problem in an atmosphere with less tension.

MR. BRANDON. Do you get the feeling in Congress that there is a certain suspicion that the Russians are getting more out of détente, as some of the leading Members of Congress have said, than the United States?

THE PRESIDENT. I think there are some Members of Congress—and perhaps some in the United States in the nonpolitical arena—who have the impression that the Soviet Union has been a bigger beneficiary than the United States.

I strongly disagree with that viewpoint. I think détente has had mutual benefits. And I would hope that as we move ahead, the mutuality of the benefits will continue. I don't believe that those who challenge détente and say it is one-sided are accurate. I think they are completely in error.

MR. DE MEDICI. May I put the question differently? Since détente is a way of looking at current affairs, do you subscribe to the argument that the United States should only do what it finds in its own interests, no matter how appealing détente may look at times?

THE PRESIDENT. I am not quite clear—

MR. DE MEDICI. Should the United States stick only to what it finds in its own interests, no matter how appealing détente may look?

THE PRESIDENT. You mean in the United States interest vis-a-vis the Soviet Union or the United States vis-a-vis its allies and friends around the world?

MR. DE MEDICI. Also, in terms of, say, the European Security Conference, for instance, where the question has been raised as to what the usefulness of this whole exercise would be for the Europeans and the Americans without a counterpart?

THE PRESIDENT. I would hope that détente would have a broader application than only in our own self-interest. But I must say that we have to be very certain that what we do does not undercut our own security. Détente has been used on some occasions, if my memory serves me correctly, to ease tensions on a broader area than just in U.S.-Soviet Union relations.

MR. BRANDON. Could you tell us whether the recent talks between Dr. Kiss-

inger and Mr. Gromyko¹ have helped to overcome some of the obstacles that you encountered on SALT?

THE PRESIDENT. They, of course, went into the status of our SALT II negotiations. I don't think I should discuss any of the details. I would simply say that the talks were constructive. I think they will be helpful in the resolution of some of the negotiations that had to follow after the Vladivostok meeting last December.

MR. DE SEGONZAC. Dr. Kissinger has said that détente should not be selective. Do you feel that from now on, when there are certain problems going on the periphery of the Western world and of détente, you should take the Russians to task on those subjects in a harsher way than you have done up to now—in Vietnam, for example, and the help they gave to the North Vietnamese?

THE PRESIDENT. We have indicated quite clearly that we didn't approve of the supplying of Soviet arms to the North Vietnamese. We have clearly said that détente is not a fishing license in troubled waters. I think that the implication of that statement is very clear.

We intend to be very firm, but détente gives us an opportunity to be flexible and flexible in a very meaningful way.

So, it will be orchestrated to meet the precise problem that is on the agenda. We can be firm when necessary and we can be flexible when that attitude is applicable.

MR. REIFENBERG. Mr. President, on SALT, one more question, if I may. Do you think, sir, that to solve the problems that have come up in SALT II, it requires a political impetus and decision by the two leaders involved, namely, yourself and the General Secretary?

THE PRESIDENT. We found from the meeting in Vladivostok that there were certain issues that had to be solved at the very highest level, and Mr. Brezhnev and myself did do that. I suspect that as we move into the final negotiations it will be required that the General Secretary and myself make some final decisions. And therefore I would hope that the preliminaries can be gotten out of the way and most of the issues can be resolved, and then the final small print, so to speak, can be resolved when Mr. Brezhnev and I meet, hopefully this fall.

THE ATLANTIC ALLIANCE

[4.] MR. MACNEIL. Mr. President, you said a moment ago, talking about détente, if the allies are strong, détente will work. A lot of commentators—and

¹ A. A. Gromyko, Minister of Foreign Affairs of the Soviet Union.

one noted one in *Newsweek* this week—see a perceptible sliding among the allies in Western Europe with the growth of pacifist spirit, a growth of Marxist philosophy in certain governments in the West, and wonder and are asking whether they are not going to end up in the embrace of the Soviet Union in making an accommodation with the Soviet Union. Do you have any slight fears as you set out for Europe that that is what is happening to the Western alliance and you need to do something about it?

THE PRESIDENT. My impression is that the Western alliance is very strong and there is no reason why it can't be made stronger. I have followed the recent meeting of the secretaries of defense, so to speak, and the report I got back was encouraging. We do have to upgrade, we do have to modernize our military capability in the Alliance, and I think we will. I am convinced that in the political area, the meeting we are going to have will be helpful and beneficial in that regard.

So, although I see some problems in one or more countries internally, I think basically the Alliance is strong. And as long as our allies in Europe see that the United States is not going to pull out, that the United States will continue to be a strong partner, I think this will strengthen the forces favoring the Alliance in our European allies.

MR. DE SEGONZAC. Mr. President, there are quite a number of problems in the Alliance at this stage all along the Mediterranean border—in Portugal, in Turkey, in Greece. You say, however, that the Alliance is strong. Therefore, you believe that these problems can be settled without too much difficulty?

THE PRESIDENT. I certainly recognize the problem between Greece and Turkey involving Cyprus. It is a tragic development, unfortunate. But I am encouraged. There have been some recent talks between the foreign ministers of Greece and Turkey. There are to be both Karamanlis and Demirel in Brussels, and I hope to meet with both and see if we can in any way be helpful. I think this is a solvable problem and there is a beginning of the negotiating process that hopefully will lead to a solution. We have to recognize that everything is not perfect, but that does not mean we cannot solve those problems that are on our doorstep.

MR. DE SEGONZAC. Now, Mr. President, there is another problem which is perhaps more important still, which is the one of Portugal. It is going to make, I suppose, discussions in NATO very difficult with a Portuguese Government which is dominated by the Communists. How do you feel that this can be handled? Do you think that eventually a new law or new regulation should be made so that countries who don't follow the ideology of the Western world

can leave NATO or should be encouraged to leave NATO, such as the pro-Communist Portuguese Government?

THE PRESIDENT. I am concerned about the Communist element and its influence in Portugal and, therefore, Portugal's relationship with NATO. This is a matter that I will certainly bring up when we meet in Brussels. I don't see how you can have a Communist element significant in an organization that was put together and formed for the purpose of meeting a challenge by Communist elements from the East. It does present a very serious matter, and it is one that I intend to discuss while I am in Brussels.

MR. MACNEIL. Mr. President, it has been reported that when the Portuguese elections were approaching and it looked as though the Communists were going to do much better in the elections than they actually did that you were in favor of some action by the United States to reduce the possibility of their success and possibly using the CIA in some form. Could you tell us about that?

THE PRESIDENT. I don't think I ought to discuss internal matters that might have involved another country. The elections turned out very well. We had no involvement. So, I think I should leave it right there.

MR. DE MEDICI. Mr. President, you and your mission in Europe will be very close to Portugal. You will be stopping in the Iberian Peninsula, in Madrid. Spain is one country which does not belong to the NATO community, and it does not belong to the Europe of Nine [European Economic Community], either. The Spanish people have been asking for a long time to be more closely associated with the European defense—collective defense setup—and your Government perhaps has looked with even more sympathy of recent to the Spanish request. How do you view this policy by the Spanish Government at this time?

THE PRESIDENT. Well, the United States has had a long and friendly relationship with Spain. In 1970, we signed a friendship agreement. In 1974, we had a declaration of principles that involved our relationship in many, many areas on a broad basis.

We think Spain, because of its geographical location, because of other factors, is important in the Mediterranean, in Europe. We believe that somehow Spain should be eased into a greater role in the overall situation in Europe.

MR. MACNEIL. Actual membership in NATO?

THE PRESIDENT. I am not sure that is something that has to be done at the present time, but it does seem to me that Spain, for the reasons I have given, ought to be brought more closely as far as our relations in the Alliance.

MR. REIFENBERG. Has the Portuguese development, Mr. President, speeded that thinking?

THE PRESIDENT. I don't believe so, consciously. It may have subjectively.

MR. DE SEGONZAC. Mr. President, in your first speech when you became President—first important speech—you talked of Europe, you talked of alliance, and you never mentioned the word Europe, and you were criticized for that in Europe. And you still since have given the impression that, for you, Europe is more the NATO organization than the Community.

I would like to ask you, do you consider Europe as an entity? Do you think it should have its own independence and its own unity? What are your views on that?

THE PRESIDENT. I do consider Europe as an entity. On the other hand, we have direct relationships with the major nations in Europe through NATO.

On the other hand, we do in the future and have in the past worked within the economic system with Europe as a whole. For example, we have worked very closely with the International Energy Agency, which is a very important part of our efforts to avoid future problems and to develop some solutions in the field of energy.

We look upon Europe as an entity, but on the other hand, we deal in a specific way with Europe, or major nations in Europe, through our NATO alliance.

MR. BRANDON. How vital do you think is Britain's participation in Europe?

THE PRESIDENT. I think it is very important. I don't believe I should get involved in how the vote is going to turn out on June 5,² but I think Europe is strengthened by Britain's participation. I think our overall Western world economic strength is likewise improved and strengthened by Britain's participation.

ENERGY

[5.] MR. BRANDON. You mentioned the international energy organization, and there is a good deal of dissatisfaction among European governments that they have done much more in reducing the consumption of petrol than the United States has. I know you have tried, and I was wondering now, in view of the fact that Congress did not come up with a bill, are you going to raise the import tax by another dollar?

THE PRESIDENT. I agree with you entirely. The European nations have done a much better job in reducing the consumption of petrol, or gasoline as we call it, and I admire them for it.

² A referendum held in the United Kingdom to determine whether it should remain in the European Economic Community was decided in favor of continued British participation in the Community.

As President, I have tried to convince the Congress that they ought to pass a comprehensive energy program that would aim at conservation on the one hand and new sources of energy on the other.

Now, I am going to make a decision in the next 48 hours as to whether or not I will increase by \$1 the import levy on foreign oil. The Congress has failed very badly. They have done literally nothing affirmatively to solve our energy problem.

Perhaps the imposition of the extra dollar will stimulate the Congress to meet the problem that is important from the point of view of not only ourselves but the consuming nations—those in Europe, ourselves, Japan. I am very disturbed, I might say, about Congress' lack of affirmative action.

MR. BRANDON. The statement by the Shah [of Iran] that he is going to increase the price again by 25 percent has not helped you in Congress, has it?

THE PRESIDENT. I think it probably has helped us, because if the price of oil is increased and we have no defense against it, it proves the need and necessity for the United States to have the kind of an energy program that I have proposed.

If we had that program in place, the one I recommended to the Congress in January, the threat of an increase in the oil price would be far less. It is the lack of action by the Congress that puts us more and more vulnerable to price increases by OPEC nations.

So, I hope this prospective or threatened oil price increase will get the Congress to do something such as what I have recommended. Then we would not have to worry about that.

MR. MACNEIL. Did you try and persuade the Shah not to raise the price of oil, as he is quite influential in the group of OPEC nations?

THE PRESIDENT. We talked about it. He indicated that there might be an increase. I did point out that it could have very adverse economic impacts, not only on the consuming nations—like Western Europe, the United States, Japan—but it could have very, very bad effects on the less developed nations, who are more of a victim than even ourselves.

I would hope that there would be a delaying action, but in order to make ourselves less vulnerable for this one and for other threatened increases in the future, the United States has to have a strong energy program, an energy program that is integrated with that of Western Europe through the International Energy Agency. And I can assure you that we are going to keep urging and pressuring and trying to move the Congress so that we end up with the kind of a program that will preclude these increases.

MR. MACNEIL. Could I ask one other question on energy? Defense Secretary Schlesinger said in an interview this week that if there came another oil embargo, the United States would not be so tolerant this time and could act, and he even mentioned military action. Now, could you explain what that means?

THE PRESIDENT. I would rather define our policy this way. We have sought throughout the Middle East to have a policy of cooperation rather than confrontation. We have made a tremendous effort to improve our relations with all Arab countries. And we have continued our efforts to have good relations with Israel.

If we put the emphasis on cooperation rather than confrontation, then you don't think about the potentiality that was mentioned by the Secretary of Defense. Since we do believe in cooperation, we don't consider military operations as a part of any policy planning that we have in mind.

MR. MACNEIL. But it is a contingency not entirely ruled out if things should go wrong?

THE PRESIDENT. Well, we put emphasis on cooperation, not confrontation, so we in effect rule out the other.

NUCLEAR MATERIALS

[6.] MR. DE MEDICI. In the spirit of cooperation, we are looking at the United States for leadership in the area of development of alternate sources of energy. We are particularly looking at you for obtaining a nuclear fuel—enriched uranium, natural uranium—and, very important for us, access to technology. What do you plan to do in this area—in this critical area for many countries of the world?

THE PRESIDENT. It is very critical. I will be making a decision in the relatively near future as to how we can move affirmatively in this area to provide adequate sources of enriched uranium. We must do it. The basic problem is whether you do it through government on the one hand or private enterprise on the other. We will have a decision; we will get going because we cannot tolerate further delay.

MR. BRANDON. Mr. President, there is a great concern in the world about the proliferation of nuclear matter, and the more nuclear powerplants are going to be built, the more the United States is going to supply them, the more of that material will be available in the world.

I was wondering whether—the question is the reprocessing of this material. I wonder whether it would be possible to find a multilateral way of trying to

reprocess this material, because there is a question of prestige with so many governments involved.

THE PRESIDENT. We are concerned about the proliferation of nuclear capability. We are trying to upgrade the safeguards when the powerplants are sold or made available. We think there has to be continuous consultation on how we can do it technically and how we can do it diplomatically.

We are going to maximize our effort, because if the number of nations having nuclear armaments increases significantly, the risk to the world increases, it multiplies. So, this Administration will do anything technically, diplomatically, or otherwise to avert the danger that you are talking about.

THE MIDDLE EAST

[7.] MR. MACNEIL. Mr. President, the oil and energy race is intimately tied up, of course, with the Middle East. You and Secretary Kissinger have said recently that your reassessment of policy in this most explosive and dangerous area, which has been going on for 2 months, is not yet complete. It is a little difficult to understand how you could have spent 2 months and are, as you say, meeting President Sadat next week with no new policy.

THE PRESIDENT. I think my meeting with President Sadat is a very understandable part of the process. He, of course, has a deep interest and concern in a permanent, peaceful solution in the Middle East. I want to get firsthand from him his analysis, his recommendations. Of course, that meeting will be followed by one with Prime Minister Rabin here on June 11, where I will have the same intimate relationship, where he can give me his analysis and his recommendations. And sometime shortly thereafter we will lay out what we think is the best solution.

MR. DE MEDICI. Mr. President, it has been some time since there was an authoritative statement of United States policy vis-a-vis the Middle East with reference to U.N. Resolution 242, which calls for secure boundaries and withdrawal from occupied territories. Would you care to state the policy once again?

THE PRESIDENT. Of course, the United States voted for U.N. Resolution 242 and 339 [338], so we do believe that within the confines of those words, any policy in the long run has to fit. But the details, because they were quite general in many respects—the details will be set forth in the policy statement that I will make sometime after meeting with President Sadat and Prime Minister Rabin.

MR. DE MEDICI. Do you think that the question of Russian policies and overtures in the Middle East should be duly linked perhaps to other areas?

THE PRESIDENT. The Soviet Union, as a cochairman of the Geneva conference, obviously has an interest in and a responsibility for progress in the Middle East. I notice that they have been meeting officially, diplomatically with representatives from Israel, and they have been meeting in the same way with many Arab nations. I think this could be constructive, and I certainly hope it is.

MR. DE SEGONZAC. Mr. President, Mr. Schlesinger has again stressed the possibility of using force in case of an embargo in the Middle East, and he said that if there was another embargo, the United States would not have so much patience as last time. How do you feel about that, and in what case do you think military force could eventually be used?

THE PRESIDENT. As I said a moment ago, the policy of this Government is one of cooperation, not confrontation. And if you put the emphasis on cooperation, then you don't include within any plans you have any military operations.

I don't think I should go beyond that, because everything we are doing in the Middle East—the numerous meetings I have had with heads of states, the many consultations that Secretary Kissinger has had with foreign ministers—it is all aimed in trying to, in a cooperative way, solve the problems of the Middle East. And none of those plans that we have incorporate any military operations.

MR. BRANDON. Mr. President, if you could give us a longer perspective of history. Some of your aides believe that the West is in decline. And I was wondering whether you share that outlook?

THE PRESIDENT. I certainly do not. I think the West is in a very unique situation today. The West, so to speak, by most standards is technologically ahead of any other part of the world. The West, I think, under our system of free governments, is in a position to move ahead, taking the lead in freedom for people all over the world. It seems to me that whether it is substantively or otherwise, the West could be on the brink of a leap forward, giving leadership to the rest of the world. So, I am an optimist, not a pessimist.

MR. MACNEIL. There is one aspect to the Middle East, Mr. President, which possibly concerns your visit to Europe this next week. Some of your officials have said that one of your concerns was possibly to suggest to the Alliance that it widen its sphere of attention and interest. Does that mean into the Middle East, and what exactly do you have in mind?

THE PRESIDENT. I don't think the Alliance, as such, ought to involve itself in the Middle East. Of course, every one of the countries in Western Europe, including the United States and Canada, have an interest in a permanent, peaceful solution in the Middle East. And each of the countries will have an impact,

some—for one reason or another—more than other nations. But I don't think the Alliance should, as a unified body, move into these very delicate negotiations.

MR. MACNEIL. What is this initiative that you are reported to be considering to suggest that it does widen its sphere of attention?

THE PRESIDENT. Well, it would be in a broad, but not substantive way. The impact of each nation, if we could all agree, whether it was done through the Alliance, would be extremely beneficial and most helpful in getting the Arab nations, as well as Israel, to resolve some of these longstanding, volatile questions.

MR. MACNEIL. Do you mean asking individual members of NATO to do more in the Middle East?

THE PRESIDENT. Right, and to not officially coordinate their efforts but unofficially work together.

THE COMMON MARKET

[8.] MR. DE SEGONZAC. Back in NATO—I would like to move back to Europe very briefly—I would like to come back to your answer on your attitude towards the Common Market. I had a feeling by what you were saying that you have a slightly cool attitude towards the Common Market. Do you still believe and support the unity of Europe in the same way as President Kennedy supported it but which was less strongly supported by President Nixon? Where do you stand exactly?

THE PRESIDENT. I give full support to the Common Market, the European Community efforts in trying to resolve some of the difficult economic problems. Under this Administration, under my time as President, we will work together, I hope. And there have been some recent illustrations where we have been able to resolve some very sticky problems in the field of agriculture in a very constructive way.

I think this will be our attitude. And I have some good evidence, I think, by recent developments that will be the attitude of the Community.

MR. DE SEGONZAC. Mr. President, are you apprehensive of European rivalry?

THE PRESIDENT. Rivalry in the broadest sense?

MR. DE SEGONZAC. Yes, in the broadest sense.

THE PRESIDENT. I am not apprehensive, because I think America is strong and we have the will and we have got the technical capability. I think we can compete with any segment of the globe. And I happen to think competition is good. I don't like to discount it, but I think competition is beneficial to everybody.

VIEWS ON THE PRESIDENCY

[9.] MR. MACNEIL. Mr. President, could I just conclude—as we have come to the end of our time—could I just conclude by asking you a quick personal question? Since you have spent your first 9 months in office cleaning up messes and reacting to things that were left on your plate as you took over the office, do you now feel yet that you have put a Ford stamp on the Presidency?

THE PRESIDENT. I think we have made a tremendous amount of progress in achieving that. Let me take two or three examples. We have a Ford energy program developed entirely under my Administration. We have a Ford economic program which will be successful. We are making substantial headway in building on past foreign policy. But as we work toward a SALT II agreement, as we work toward some of the other problem areas in foreign policy, I think you will see a Ford Administration imprimatur. And therefore I am optimistic that we can see as we look back historically, that before this date there was clear and convincing evidence both at home and abroad there was a Ford Administration.

MR. MACNEIL. Mr. President, thank you for talking to us. May I, on behalf of my colleagues, wish you a very pleasant travels to Europe, a continent of millions of whose people will have been watching this program. Thank you.

THE PRESIDENT. We are looking forward to it.

NOTE: The interview began at 11:03 a.m. in the Diplomatic Reception Room at the White House. It was taped for later broadcast on the BBC and other

networks of the European Broadcast Union and the Public Broadcasting Service in the United States.

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Remarks at a Reunion With Crewmembers of the U.S.S. *Monterey*. May 24, 1975

Thank you very much, Charlie and Roger Mehle.

I can't express adequately my appreciation for the opportunity to see so many of my old shipmates. It was a very warm and a very dear part of a significant part of my life. Let me just say, I was the assistant navigator under Pappy Atwood, and it's fortunate that the ship relied on Pappy Atwood's sightings rather than mine. And I hope that my decisions as President are more accurate than my sightings as assistant navigator. [*Laughter*]

It used to be a wonderful experience to go out on the bridge in the morning or in the evening and Pappy Atwood was—well, all of you who know him—he

was truly an expert. And there would always be some variation. Inevitably, he was right and I was wrong.

But I thank you very much, Charlie. As I look at the ship here—and Allie, it brings back many great memories to me and, I am sure, to all of you.

The first assignment I had was the gunnery group down on the fantail. That shows how trustworthy I was, see. They put me as far back as anybody could go. [*Laughter*]

Well, I gradually worked my way up. Captain Hundt, who was a great skipper, and Captain Ingersoll, who is in the finest traditions of the United States Navy, saw to it that I got up on the bridge. I didn't contribute very much, but I enjoyed the great inspiration of both Captain Hundt and Captain Ingersoll.

Fritz Deppe and I had a little stateroom. You would hardly call it one of any fancy accommodations, would you, Fritz? I've forgotten who had the upper and who had the lower bunk. [*Laughter*]

You know, those M.D.'s are always smarter than us politicians. But I can remember many wonderful experiences. We used to play basketball. We'd lower the elevator on the other side, on the port side, and we'd play basketball. That was a hard thing to convince Captain Hundt and Captain Ingersoll of, that it was going to not interfere with operational activities. But they were very kind and understanding, and here is a picture—but we had some wonderful times.

I remember very distinctly June 17, 1943, when we commissioned the ship in Philadelphia. I recall with great memories the shakedown cruise down to Trinidad. That was an exciting place. [*Laughter*]

I recall vividly the trip through the Panama Canal, and I will not tell the whole story on that. The ship got through all right, but I wasn't sure I was going to get through all right. [*Laughter*]

Then I recall that wonderful trip from San Diego to Pearl Harbor. We loaded the ship up with a lot of submariners who had never been to sea. We loaded it up with a lot of aircraft. We had hot bunks. Do any of you remember that? When we got to Pearl Harbor, the ship needed a real scrubdown. [*Laughter*] Then I recall our first operation off Mackin Island. We were all scared to death.

Then I recall us going with the *Bunker Hill* down to Kavieng and Rabaul on Christmas Day, New Year's Day, and a few days after New Year's Day—that was thought then as one of the most daring operations at the time as far as the Navy was concerned. We lost some very fine people, but we survived.

Then we gradually worked our way up the Carolines and the Marianas, et

cetera. We had some wonderful times in Majuro, at Ulithi—that was a delightful place. I was single at the time. But if any of you wives think that your husbands went astray, there wasn't any room or there wasn't any company. So, I will verify everything they ever said to you about it. [Laughter]

Then, of course, we had the wonderful experience of the Battle of the Philippines, where we were headed back to Pearl Harbor, I think, and we got orders to turn around. And we participated in that very important battle as far as the Pacific was concerned.

Then, of course, the climax was the typhoon on December 18 and 19 of 1944. I can recall most intimately the coolness, the courage of the skipper. I happened to be on the bridge as the officer of the deck during general quarters, and we were in general quarters a long time. [Laughter]

The word came from the Admiral, "Abandon ship, if you so order." I am not sure that's the way it went—[laughter]—but one out of the four boilers was in operation, the fire pumps were manned, the hangar deck fire was extinguished, and the *Monterey*, after about 7 hours dead in the water with one or two cruisers and three or four destroyers, got underway.

But that was the spirit, that was the attitude of the *Monterey*. All of you, as well as myself, are proud of the people, the skippers and the ship. And we should be thankful that we had the opportunity of fighting for a great country and a great cause.

I should say one thing. I just talked about the ship's company. Of course, I do want to congratulate all the members of Air Group 30 and Air Group 28. They were an integral part and a vital portion of the effort and the success of the *Monterey*.

I have some wonderful memories of the pilots, whether they were SBD, F-2's or 4's or 6's or TBM's or TBF's, they were great people and the crews that maintained them, that brought them in, that launched them—they were as much a part of the *Monterey* as the ship itself.

So, Roger, on behalf of those of us who had the privilege of serving you and the air groups, I thank you for the great job that all of you did.

Thank you.

NOTE: The President spoke at 7:44 p.m. in the main ballroom at the L'Enfant Plaza Hotel. In his remarks, he referred to the following former members of the crew: Charles A. Webb, Rear Adm. Roger W. Mehle, Lewis J. "Pappy" Atwood, Allie C. Klein-

peter, Jr., Vice Adm. Stuart H. Ingersoll, L. T. Hundt, and Dr. Charles Deppe.

Mr. Kleinpeter presented the President with an oil painting of the U.S.S. *Monterey*.

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Remarks at Memorial Day Ceremonies at Arlington National Cemetery. May 26, 1975

Chairman Sutphin, distinguished guests, my fellow Americans:

There is no higher or more solemn privilege than to represent a grateful Nation in paying tribute to its honored dead. No man or woman who comes to Arlington on Memorial Day can help but feel the burden and the pride of what it means to be an American.

The freedom we enjoy today, these fallen won for us. The way of life that we cherish, they protected for us. The heritage they defended is now in our hands. We are guardians of their trust. Arlington Cemetery is their sacred shrine, but their greatest monument is the America they died to defend.

The value of their sacrifice—the worth of what they gave their lives to defend—depends on how well we meet our responsibilities today. If we live in peace as bravely as they died in war, the world will remember them as long as there are free men to be inspired.

Memorial Day has always meant a great deal to me—as a schoolboy, as a young man in the Navy during the Second World War, in my years in Congress, and last Memorial Day, when I spoke from this rostrum as Vice President. Today, it is an occasion even more deeply felt.

Although we live in a rapidly changing world, some things remain the same. One is the need to maintain our military strength. For as long as there are lawbreakers in the world, we must have the strength and the resolve to stand up for what is right. It is the price we have always paid for being free. It is the price we must be willing to pay in the future.

So, today we pay tribute not only to our wartime dead but to those who made the same sacrifice in keeping the peace. They have proven that the quality of heroism, of love of country and willingness to serve in time of troubles, beats just as strong in American hearts today as ever.

As we honor the men and women who have given their lives, let us also pray for the safety of those still missing in action and the solace of those who wait as well as those who mourn. The world should know that the United States will not falter in its determination to achieve an adequate accounting of our MIA's.

Finally, let us resolve to learn from the example of those whose memories we honor today. May the courage they demonstrated in war guide us to even greater achievements in peace. Peace, too, can have its heroes. In our everyday lives, in

the example we set, in the kind of a country we build and in the national character that we sustain, we can erect the greatest monument of all to those we honor here today.

They will not have died in vain and their loved ones will not have suffered in vain if we vow to live our lives in the cause of honor, freedom, and justice that they so gallantly served.

Thank you very, very much.

NOTE: The President spoke at 11:25 a.m. at the Tomb of the Unknowns. In his opening remarks, he

referred to Robert S. Sutphin, president of the Grand Army of the Republic Memorial Day Corporation.

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Statement on Signing the Amtrak Improvement Act of 1975. *May 26, 1975*

I HAVE signed H.R. 4975, the Amtrak Improvement Act of 1975.

This bill provides authorizations for Federal support to Amtrak for an additional 27-month period, through fiscal 1977. It will provide the Amtrak Board of Directors with the flexibility necessary to effectively manage the Corporation's affairs. This should result in improved intercity rail passenger service. I expect the Corporation to develop plans and programs consistent with realistic funding authorized by this bill, thus eliminating the past practice of ever-escalating Federal subsidies over which neither the Congress nor the executive branch had effective control.

The bill authorizes procedures which enable Amtrak to modify its system of routes and services consistent with the goal of making rail passenger service an effective part of our national transportation system. It is regrettable, however, that the criteria for exercising this authority must be submitted to the Congress with the possibility of disapproval by either the House or the Senate within 60 days.

The Attorney General advises me that this provision provides for an unconstitutional exercise of Congressional power. I am seriously concerned about the increasing frequency with which Congress passes legislation containing such provision. I have, nevertheless, signed H.R. 4975 because the Nation needs the important passenger rail service it will provide.

Once the new procedures for adding and eliminating routes are established, Amtrak will have a sensible basis on which to make determinations on dropping routes which are inefficient or adding service which boosts our overall trans-

portation capabilities. The end result should be better transportation for every tax dollar spent on Amtrak. The management flexibility contained in this legislation will enable Amtrak to improve the present level of rail passenger service and to stay within the spending limits established by the authorization bill.

It is gratifying to note that the Congress has responded to the suggestion I made in signing the Amtrak Improvement Act of 1974 (Public Law 93-396) that mandatory on-board customs procedures would be undesirable. The Congress, in this bill, has provided for cooperation between the Secretary of the Treasury, the Attorney General, and Amtrak to establish inspection procedures which will be convenient for passengers and consistent with effective enforcement of the immigration and customs laws. Implementation of these procedures should facilitate the most rapid possible transit in international, intercity rail passenger service.

I commend the Congress for enacting this bill which should, on balance, provide a basis for improved and more economic passenger service for the American people. It is essential that we continue to work toward developing more effective approaches to meeting the complex transportation needs of the Nation.

NOTE: As enacted, H.R. 4975, approved May 26, 1975, is Public Law 94-25 (89 Stat. 90).

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Message to the Congress Transmitting First Annual Report of the Administration on Aging. May 27, 1975

To the Congress of the United States:

Section 208 of the 1973 Amendments to the Older Americans Act (Public Law 89-73) provides that the Commissioner on Aging shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities carried out under this Act, not later than one hundred and twenty days after the close of each fiscal year.

Secretary Weinberger has forwarded the Annual Report of the Administration on Aging for the fiscal year 1974 to me, and I am pleased to transmit this document to the Congress.

GERALD R. FORD

The White House,
May 27, 1975.

NOTE: The 87-page report, entitled "Administration on Aging Annual Report—Fiscal Year 1974," was prepared by the Department of Health, Education, and Welfare.

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**Message to the Congress Transmitting Final Report on
the Balance of Payments Deficit Incurred Under the North
Atlantic Treaty. May 27, 1975**

To the Congress of the United States:

In accordance with Section 812(d) of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93-155), I am pleased to submit to the Congress the sixth and final report on our progress toward offsetting the fiscal year 1974 balance of payments deficit resulting from the deployment of U.S. forces in NATO Europe. Section 812 (the Jackson-Nunn Amendment) states that if our European NATO Allies fail to offset this deficit, then U.S. troops in Europe must be reduced by the percentage of offset not provided. I am pleased to report that our Allies have fully offset the U.S. fiscal year 1974 deficit and that the troop reduction provision will not have to be implemented.

The U.S. NATO-related balance of payments expenditures during fiscal year 1974 totaled \$1.997 billion. We sought to cover these expenditures in two ways. First, we negotiated with the Federal Republic of Germany (FRG) an Offset Agreement which had a total value of \$2.218 billion over the 1974-75 time period. The fiscal year 1974 portion of the agreement has come to \$1.150 billion. Secondly, our other NATO Allies have placed substantial military procurement in the U.S. They have been able to identify \$1.016 billion in such procurement, of which \$917 million can at this time be applied against FY 1974 expenditures. The NATO Allies and the NATO Economic Directorate deserve our special recognition for their cooperation in establishing a liaison mechanism for identifying these purchases. Appendix A provides an accounting of our compliance with the provisions of the Amendment.

The Jackson-Nunn Amendment also called upon our Allies to assist the U.S. in meeting some of the added budgetary costs that result from maintaining our forces in Europe rather than in the continental United States. The major form of this budgetary support is contained in the two-year U.S.-FRG Offset Agreement. The agreement includes approximately \$224 million to rehabilitate badly deteriorated barracks and other troop facilities used by American military personnel in the FRG. The FRG also agrees to absorb about \$8 million of real estate taxes and landing fees directly related to U.S. forces in Germany. Finally, very considerable budgetary relief is implicit in the FRG agreement to purchase DM 2,250 million in special U.S. Treasury securities at a concessional

interest rate of 2.5 percent. The interest rate which Germany could have obtained through investment of these funds in marketable U.S. Treasury securities would, of course, have been much higher. The purchase of securities made by the FRG pursuant to the agreement were made at times when the market was paying just under eight percent interest. As a consequence, the FRG will have foregone approximately \$343 million in interest over the life of these securities. Essentially this represents a budgetary gain to the U.S.

A final provision of the Amendment requires that we seek to reduce the amount paid by the U.S. to support NATO's Infrastructure Program. NATO recently agreed to a new five-year program (CY 1975-79) totaling \$1.35 billion. The Allies have agreed to reduce the U.S. percentage from the current official level of 29.67 percent to 27.23 percent. The new program also includes a special category of projects totaling \$98 million which benefit only American forces and which would normally have been funded in the U.S. budget. When this special category is considered, the effective U.S. share is approximately 21 percent. Likewise, the U.S. share of funding for the Common European Pipeline deficit has been reduced from 36 percent to 25 percent.

The Amendment specifies that 22½ months (July 1, 1973-May 16, 1975) of Allied balance of payments transactions can be applied against the FY 1974 deficit. The balance of payments data we have used have been based on only the first 12 months of this period. We do not yet have complete data on Allied procurement expenditures during the last 10½ months of the statutory period. However, assuming that Allied expenditures in Foreign Military Sales (FMS) and commercial accounts remain at about the same levels as in FY 1974, there would be available an additional \$1.3 billion to offset our FY 1974 expenditures.

It should be noted that the Allied financial transactions reported here do not represent the total financial burden incurred by the Allies in support of U.S. forces in Europe. Our Allies absorb many of our troop-related operation and maintenance costs for facilities, building and repairing roads, and other payments which have a total value of several hundred million dollars a year.

A good economic argument can be made that some of our balance of payments expenditures would have occurred whether or not our troops were in Europe, and hence should not have been charged against the NATO balance of payments account. For example, the Department of Defense purchased approximately \$137 million of petroleum, oil, and lubricants (POL) in Europe during FY 1974, mostly for our Sixth Fleet operations. The great majority of these products were purchased from the Middle East. However, if the fleet had been brought home, its shift to U.S. POL resources would have forced other

U.S. consumers to purchase their POL requirements from abroad. Thus, the impact on our balance of payments expenditures would have remained unchanged.

We should also recognize that, even if our troops were returned to the continental U.S., there would still be personnel-related expenditures for European goods and services. These personnel would continue to purchase some European goods. Also, we should not overlook the fact that some of our military-related balance of payments expenditures in Europe generate Allied or third nation purchases in the U.S.—both military and commercial.

Finally, we must consider that more than \$300 million of the U.S. defense expenditures in Europe merely reflect the effect of dollar depreciation. This depreciation was a contributing factor to the substantial improvement in the U.S. trade balance, but it has made relatively more expensive the goods and services purchased by our military forces in Europe.

GERALD R. FORD

The White House,
May 27, 1975.

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Remarks at the Swearing In of Lowell W. Perry as Chairman of the Equal Employment Opportunity Commission.

May 27, 1975

Lowell, Mrs. Perry, Judge Keith, distinguished guests:

This is a very great moment in this Administration. It is my great privilege and pleasure to have selected for this very vital role a person that I have known a good many years, a person that I have admired for many, many years.

He first came to my attention when I saw his prowess on the gridiron at the University of Michigan. He made it and I didn't. He was really good and played not only exceptionally well at Ann Arbor but very well for the Pittsburgh Steelers.

I have known Lowell over a period of time since then. I have always looked at his career, both in Government and with private employment, as an example of what a person can do who has got ability and the desire and the dedication.

I think it's, in this instance, Government's gain to have Lowell with us, and

Lynn Townsend probably is losing one of his very finest young people in his Chrysler organization.

It just seems to me that Lowell Perry is the right person to do a fine job in the Equal Employment Opportunity Commission, and I look forward to the job that he will do.

This Administration is totally dedicated to the elimination of any discrimination in the area of sex, race, creed, color, or what have you. Under the leadership of Lowell Perry, I am certain and positive that that dedication to that cause will be carried out.

And it is a great privilege, Lowell, for me to participate in your oath-taking with your old friend, and a friend of mine, Judge Damon Keith of the Federal Court in Detroit.

NOTE: The President spoke at 12:58 p.m. in the Rose Garden at the White House. Damon Keith, District Judge for the Eastern District of Michigan, administered the oath of office.

Mr. Perry's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 562).

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Address to the Nation on Energy Programs.

May 27, 1975

Good evening.

Last January 15, I went before your Senators and Representatives in Congress with a comprehensive plan to make our country independent of foreign sources of energy by 1985. Such a program was long overdue. We have become increasingly at the mercy of others for the fuel on which our entire economy runs.

Here are the facts and figures that will not go away. The United States is dependent on foreign sources for about 37 percent of its present petroleum needs. In 10 years, if we do nothing, we will be importing more than half our oil at prices fixed by others—if they choose to sell to us at all. In 2½ years, we will be twice as vulnerable to a foreign oil embargo as we were two winters ago.

We are now paying out \$25 billion a year for foreign oil. Five years ago we paid out only \$3 billion annually. Five years from now, if we do nothing, who knows how many more billions will be flowing out of the United States. These are not just American dollars, these are American jobs.

Four months ago, I sent the Congress this 167-page draft of detailed legislation, plus some additional tax proposals. My program was designed to conserve the energy we now have, while at the same time speeding up the development and production of new domestic energy. Although this would increase the cost of energy until new supplies were fully tapped, those dollars would remain in this country and would be returned to our own economy through tax cuts and rebates.

I asked the Congress in January to enact this urgent 10-year program for energy independence within 90 days—that is, by mid-April.

In the meantime, to get things going, I said I would use the standby Presidential authority granted by the Congress to reduce our use of foreign petroleum by raising import fees on each barrel of crude oil by \$1 on February 1, another dollar on March 1, and a third on April 1.

As soon as Congress acted on my comprehensive energy program, I promised to take off these import fees. I imposed the first dollar on oil imports February 1, making appropriate exemptions for hardship situations.

Now, what did the Congress do in February about energy? Congress did nothing—nothing, that is, except rush through legislation suspending for 90 days my authority to impose any import fees on foreign oil. Congress needed time, they said.

At the end of February, the Democratic leaders of the House and Senate and other Members concerned with energy came to the White House. They gave me this pamphlet outlining energy goals similar to mine and promised to come up with a Congressional energy program better than mine by the end of April. I remember one of them saying he didn't see how they could ask the President to do more than postpone the second dollar for 60 days. If the Congress couldn't come up with an energy program by then, he said, go ahead and put it on.

Their request stretched my original deadline by a couple of weeks. But I wanted to be reasonable; I wanted to be cooperative. So, in vetoing their bill to restrict the President's authority, I agreed to their request for a 60-day delay before taking the next step under my energy plan.

What did the Congress do in March? What did the Congress do in April about energy? Congress did nothing.

In fairness, I must say there were diligent efforts by some Members—Democrats as well as Republicans—to fashion meaningful energy legislation in their subcommittees and committees. My Administration worked very hard with them to bring a real energy independence bill to a vote. At the end of April, the deadline set by the Congressional leaders themselves, I deferred for still another

30 days, the second \$1 fee on imported oil. Even then, I still hoped for positive Congressional action.

So, what has the Congress done in May about energy? Congress did nothing and went home for a 10-day recess.

February, March, April, May—as of now, the Congress has done nothing positive to end our energy dependence.

On the contrary, it has taken two negative actions: the first, an attempt to prevent the President from doing anything on his own, the second, to pass a strip mining bill which would reduce domestic coal production instead of increasing it, put thousands of people out of work, needlessly increase the cost of energy to consumers, raise electric bills for many, and compel us to import more foreign oil, not less.

I was forced to veto this anti-energy bill last week because I will not be responsible for taking one step backward on energy when the Congress will not take one step forward on energy.

The Congress has concentrated its attention on conservation measures such as a higher gasoline tax. The Congress has done little or nothing to stimulate production of new energy sources here at home. At Elk Hills Naval Petroleum Reserve in California, I saw oil wells waiting to produce 300,000 barrels a day if the Congress would change the law to permit it.

There are untold millions of barrels more in our Alaskan petroleum reserves and under the Continental Shelf. We could save 300,000 barrels a day if only the Congress would allow more electric powerplants to substitute American coal for foreign oil. Peaceful atomic power, which we pioneered, is advancing faster abroad than at home.

Still the Congress does nothing about energy. We are today worse off than we were in January. Domestic oil production is going down, down, down. Natural gas production is starting to dwindle. And many areas face severe shortages next winter. Coal production is still at the levels of the 1940's. Foreign oil suppliers are considering another price increase. I could go on and on, but you know the facts. This country needs to regain its independence from foreign sources of energy, and the sooner the better.

There is no visible energy shortage now, but we could have one overnight. We do not have an energy crisis, but we may have one next winter. We do have an energy problem, a very grave problem, but one we can still manage and solve if we are successful internationally and can act decisively domestically.

Four months are already lost. The Congress has acted only negatively. I must now do what I can do as President.

First, I will impose an additional \$1 import fee on foreign crude oil and 60 cents on refined products, effective June 1. I gave the Congress its 60 days plus an extra 30 days to do something—but nothing has been done since January. Higher fees will further discourage the consumption of imported fuel and may generate some constructive action when the Congress comes back.

Second, as I directed on April 30, the Federal Energy Administration has completed public hearings on decontrol of old domestic oil. I will submit a decontrol plan to Congress shortly after it reconvenes. Along with it, I will urge the Congress to pass a windfall profits tax with a plowback provision.

These two measures would prevent unfair gains by oil companies from decontrol prices, furnish a substantial incentive to increase domestic energy production, and encourage conservation.

When I talk about energy, I am talking about jobs. Our American economy runs on energy—no energy, no jobs. In the long run, it is just that simple.

The sudden fourfold increase in foreign oil prices and the 1973 embargo helped to throw us into this recession. We are on our way out of this recession. Another oil embargo could throw us back. We cannot continue to depend on the price and supply whims of others. The Congress cannot drift, dawdle, and debate forever with America's future.

I need your help to energize this Congress into comprehensive action. I will continue to press for my January program, which is still the only total energy program there is.

I cannot sit here idly while nothing is done. We must get on with the job right now.

Thank you and good night.

NOTE: The President spoke at 8:31 p.m. from the Oval Office at the White House. The address was broadcast live on radio and television.

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Statement on the Death of George A. Lincoln.

May 28, 1975

I JOIN with the many friends and colleagues of the late Gen. George A. Lincoln in paying tribute to this patriotic American who dedicated his life to the service of our country. General Lincoln was a renowned West Point scholar in the social sciences for more than 20 years and was a respected educator through-

out our country. His wise counsel assisted Secretaries of Defense and the Army, the Joint Chiefs of Staff, and a succession of Presidents.

General Lincoln will be missed by all of us, here in Washington as Director of the Office of Emergency Preparedness and a member of the National Security Council, and around the world where Army officers he taught are now serving our country with the same devotion he exemplified.

NOTE: General Lincoln was Director of the Office of Emergency Preparedness and a member of the National Security Council from 1969 to 1973.

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Veto of a Bill To Authorize Appropriations for Tourism Programs. May 28, 1975

To the House of Representatives:

I am returning herewith, without my approval, H.R. 5357, which would authorize appropriations totalling \$98,125,000 to the Secretary of Commerce for the promotion of tourist travel.

This bill would reinstitute in the Department of Commerce a domestic tourism program to encourage Americans to travel within the United States. It also would authorize appropriations totalling \$90 million for the period July 1, 1976 through September 30, 1979, for continuation and expansion of the current program of the United States Travel Service to promote and facilitate foreign tourism in the United States.

My Administration proposed an extension of the existing tourism program through fiscal year 1979 at an annual authorization level of \$15 million to encourage foreign visitors to the United States. It opposed the reinstatement of a domestic tourism program, which would be unnecessary.

The promotion and management of domestic tourism should remain the responsibility of the private sector, especially the accommodation and transportation industries, and of state and local governments. Each of the fifty States has its own tourist promotion agency. I find no justification for the Federal Government taking on this role.

Moreover, the amounts authorized in the bill for the Travel Service's existing program are excessive, almost doubling the adequate amounts proposed by my Administration for the promotion of foreign travel to this country.

I find it necessary, therefore, to withhold my approval from a bill which

would create an unnecessary new Federal program and unduly enlarge an existing program.

GERALD R. FORD

The White House,
May 28, 1975.

NOTE: The House of Representatives reconsidered H.R. 5357 on June 20, 1975, and the bill was referred to committee.

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Remarks on Departure for Europe.

May 28, 1975

Mr. Vice President:

Let me say at the outset that this trip to Europe has great significance not only to us but, I think, on a much broader basis. We live in a world today which has issues of tremendous importance, whether it's energy, the economy, diplomacy, security. And of course, all of the answers must come not just from ourselves but from our friends throughout the world.

Our first stop on this trip will be in Brussels where I will meet with the leaders of the North Atlantic Alliance to jointly assess the state of the NATO alliance and help to plan for a better future. I want to reaffirm at this time the United States' commitment to the North Atlantic Treaty which is so vital to America's security and America's well-being.

In Spain I will review with Spanish leaders the expanding cooperation which is essential and as Spain assumes an increasingly important role both in the Atlantic and the Mediterranean areas.

In Austria my meetings with President Sadat of Egypt will center on Middle Eastern developments and the evolution of U.S.-Egyptian relations. American interests as well as those of our allies depend upon events that come about in the months ahead in the Middle East. Our policy in that important area of the globe is one goal—that of achieving a just peace. And I also welcome the opportunity while in Austria to meet again with Chancellor Kreisky.

Following the NATO summit in Brussels, my meetings in Rome with President Leone and other leaders of the Italian Government will permit us to review the many important interests we share as allies and as very good friends. I look forward to the opportunity to meet with His Holiness Pope Paul VI to discuss humanitarian subjects of importance to people throughout the world.

There is much work to be done on this relatively brief trip. But I feel confident that I can represent a strong and united America—an America determined, with its allies, to safeguard our vital interests. The United States is equally determined to reduce the chances of conflict, to increase cooperation, and to enhance the well-being of Americans and all peoples. I go determined to advance our common interests with our friends and allies and with great pride in our great country.

Thank you very much.

NOTE: The President spoke at 7:43 a.m. at Andrews Air Force Base, Md. His remarks were broadcast live on television.

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Remarks on Arrival at Brussels, Belgium.

May 28, 1975

Your Majesties, Prime Minister Tindemans, Secretary General Luns, ladies and gentlemen:

Thank you so very much for your warm and very gracious welcome to Brussels. It is always a great privilege and pleasure to return to the city that many know as the capital of Europe.

Thirty years ago, Western Europe was the victim of wartime devastation, facing hostile forces seeking to dominate the entire continent. The courageous leaders on both sides of the Atlantic responded by creating the North Atlantic Treaty Organization.

Our Alliance has withstood the changes and the tests of the past 26 years. It has helped to secure freedom and prosperity for the Western World. It is fitting that the purpose of my first trip, Your Majesty, to Europe as President of the United States is to participate in a NATO summit.

I want my NATO colleagues and the people of Europe to know that our great Alliance remains very strong—to guarantee that vitality, we must vigorously address the problems confronting us; that the United States is convinced that détente with the East can only proceed on a foundation of strong and secure Alliance defenses; that NATO is the cornerstone of U.S. foreign policy and has the unwavering support of the American public and of our Congress; and finally, that our commitment to this Alliance will not falter.

It is in this spirit that I meet with my colleagues in NATO to discuss issues of direct concern to the peace, the security, and the prosperity of our Atlantic community.

It is also in this spirit that I respond, Your Majesty, to your very warm welcome. Belgium's hospitality as a host to NATO and to the European communities has made it the heart of both the European and the Atlantic worlds.

Relations between the United States and Belgium remain confident and mature. I know that we will continue as close friends and warm allies.

Thank you very much.

NOTE: The President spoke at 8:13 p.m. at Zaventem Airport in response to remarks of welcome by King Baudouin I. Also present were Queen Fabiola, Belgian Prime Minister Leo Tindemans, and NATO Secretary General Joseph M.A.H. Luns.

Later, the President met at the Royal Palace, first, with the King and Queen, and then, with Prime Minister Tindemans and Foreign Minister Renaat Van Elsdale.

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Veto of an Emergency Employment Appropriations Bill.

May 29, 1975

[Dated May 28, 1975. Released May 29, 1975]

To the House of Representatives:

I return without my approval, H.R. 4481, the Emergency Employment Appropriation Act.

Earlier this year, I asked the Congress for legislation to deal with the Nation's most immediate employment problems through an extension of public service jobs and a program of summer youth employment.

The Congress has taken this simple, straightforward and specific proposal and turned it into a bill containing a host of provisions of questionable value.

This bill, as presented to me, is not an effective response to the unemployment problem. It would exacerbate both budgetary and economic pressures, and its chief impact would be felt long after our current unemployment problems are expected to subside.

The bill authorizes spending of \$3.3 billion above my budget requests. Almost half of this added spending would occur in fiscal 1976 and an appreciable amount of spending would continue in calendar year 1977. Economic recovery is expected to be well underway by the end of 1975, and the accelerative influences of this bill would come much too late to give impetus to this recovery. Instead, those influences would run the risk of contributing to a new round of inflation later on.

In my address to the Nation on March 29, announcing my decision to sign the Tax Reduction Act, I stressed the need to keep the 1976 deficit below \$60 billion. This bill is one of many being considered by the Congress that, combined, would increase the deficit to \$100 billion or more. Already, Congressional actions and

inactions have added \$7.3 billion to the 1975 deficit and \$4.4 billion to the 1976 deficit.

Such an increase in the Federal budget deficit would lead to an increase in Federal borrowing from private financial markets. These heavy Federal demands for capital could deprive business firms of funds needed for modernization and expansion of capacity.

Thus, H.R. 4481 would contribute to choking off the very economic growth it is intended to stimulate.

To help overcome the recession and high unemployment, I have proposed, and the Congress has enacted, a major tax cut. I have also proposed an extension of unemployment compensation benefits, together with increases, which are included in this bill for public service jobs and summer employment.

Further stimulus would hurt more than it would help our economy in the long run. H.R. 4481 provides for too much stimulus, too late, and I must therefore veto the bill.

The need remains, however, for a bill that will provide the funds I recommended for immediate and temporary employment through the public sector and summer youth jobs. Since student summer vacations are close at hand, I urge the Congress to pass such a bill as quickly as possible.

GERALD R. FORD

The White House,
May 28, 1975.

NOTE: The House of Representatives sustained the President's veto on June 4, 1975.

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Text of an Address Before the Council of the North Atlantic Treaty Organization in Brussels. May 29, 1975

Mr. Secretary General, members of the Council:

President Truman, in 1949, transmitted the text of the North Atlantic Treaty to the Congress of the United States with his assessment of its importance. "Events of this century," he wrote, "have taught us that we cannot achieve peace independently. The world has grown too small. The security and welfare of each member of this community depends on the security and welfare of all. None of us alone can achieve economic prosperity or military security. None of us alone can assure the continuance of freedom." So spoke President Truman.

These words, describing the interdependence of the North Atlantic nations, are as accurate today as they were a quarter century ago.

On the 25th anniversary of the signing of the North Atlantic Treaty, leaders of the NATO nations met here in Brussels to reaffirm the Declaration on Atlantic Relations, the fundamental purposes of an alliance that had fulfilled its promises by providing for the security, promoting the welfare, and maintaining the freedom of its members.

We meet here today to renew our commitment to the Alliance. We meet to remind our citizens in the 15 member nations, by our presence, of the strength and stability of the transatlantic ties that unite us and to restate our pledge to collective self-defense. We are assembled to address the serious problems we face and to review the steps we must take to deal with them.

Renewal of our commitment to the Alliance is the most important of these purposes. The United States of America unconditionally and unequivocally remains true to the commitments undertaken when we signed the North Atlantic Treaty, including the obligation in Article 5 to come to the assistance of any NATO nation subjected to armed attack. As treaties are the supreme law of my land, these commitments are juridically binding in the United States. These commitments are strategically sound, politically essential, and morally justifiable and, therefore, command broad support in the United States. They remain the firm foundation, as they have for 26 years, on which our relationship rests. This foundation has well served the purposes for which it was created. It will go on serving these purposes, even in the face of new difficulties, as long as we continue our common resolve.

In the treaty we signed 26 years ago, and from which we drew confidence and courage, we pledged:

- To live in peace with all peoples and all governments;
- To safeguard the freedom, common heritage, and civilization of our peoples founded on the principles of democracy, individual liberty, and the rule of law;
- To promote stability and well-being in the North Atlantic area;
- To settle by peaceful means any international dispute in which any one of us may be involved;
- To eliminate conflict in international economic policies and encourage economic collaboration;
- To maintain and develop our individual and collective capacity to resist armed attack by means of continuous and effective self-help and mutual aid;

- To consult together when any one of us is threatened;
- To consider an armed attack against one as an armed attack against all.

There is no need today to improve on that statement of principles and purposes. It remains as clear, as resolute, and as valid today as when first adopted. But it is worth reminding ourselves of these pledges as we turn our attention and energies to the problems we now face both outside and within the Alliance—problems very different from those we confronted 26 years ago. As NATO heads of governments and friends, we have a duty to be frank and realistic with one another. Therefore, I must cite the following matters of concern to the United States and of importance to the Alliance:

—In Indochina, the events of recent months have resulted in enormous human suffering for the people of Cambodia and Vietnam, an ordeal that touches all human hearts. Because of the United States' long involvement in Indochina, these events have led some to question our strength and reliability. I believe that our strength speaks for itself: Our military power remains and will continue to remain second to none—of this let there be no doubt; our economy remains fundamentally sound and productive; and our political system has emerged from the shocks of the past year stronger for the way in which it met a severe internal test. Our actions will continue to confirm the durability of our commitments.

—There have been strains and difficulties within the Alliance during the past year. Serious disagreements have marred relations among some members. The unity of the Alliance and our common resolve have come into question.

—There are some problems that relate directly to our defense capabilities. I refer to increasing pressure to reduce the level of military commitments to NATO, despite the fact that the forces of our potential enemies have grown stronger. We also face basic problems of military effectiveness. A generation after its creation, the Alliance wastes vast sums each year, sacrificing military effectiveness. We have simply not done enough to standardize our weapons. We must correct this. We must also agree among ourselves on a sensible division of weapons development programs and production responsibilities. And we must do more to enhance our mutual capacity to support each other both in battle and logistically. The pressures on defense budgets throughout the Alliance should by now have convinced each of us that we simply must rationalize our collective defense.

—In the field of energy, we are still not immune from the political pressures that result from a heavy dependence on external sources of energy. Indeed, we are becoming more vulnerable each month. We have made joint progress in

offsetting the effect of the action taken last year by the major oil-producing countries, but we have far more to do.

—In the Middle East, there remains a possibility of a new war that not only could involve the countries in the area but also sow discord beyond the Middle East itself, perhaps within our Alliance.

This is a formidable array of problems. However, we have faced formidable problems before. Let us master these new challenges with all the courage, conviction, and cohesion of this great Alliance. Let us proceed. It is time for concerted action.

At this important stage in the history of the Alliance, we must pledge ourselves to six primary tasks:

—First, we must maintain a strong and credible defense. This must remain the foremost objective of the Alliance. If we fail in this task, the others will be irrelevant. A society that does not have the vigor and dedication to defend itself cannot survive—neither can an alliance. For our part, our commitment not to engage in any unilateral reduction of U.S. forces committed to NATO remains valid. But that is not enough. We must make more effective use of our defense resources. We need to achieve our longstanding goals of common procedures and equipment. Our research and development efforts must be more than the sum of individual parts. Let us become truly one in our allocation of defense tasks, support, and production.

—Second, we must preserve the quality and integrity of this Alliance on the basis of unqualified participation, not on the basis of partial membership or special arrangements. The commitment to collective defense must be complete if it is to be credible. It must be unqualified if it is to be reliable.

—Third, let us improve the process of political consultation. We have made considerable progress in recent months, but there is—as each of us knows—room for improvement by all parties if we are to maintain our solidarity. This is of particular importance if we are to move forward together in our efforts to reduce the tensions that have existed with the Warsaw Pact nations for more than a quarter of a century. We should further cultivate the habit of discussing our approaches to those matters which touch the interests of all, so that we can develop common policies to deal with common problems.

—Fourth, let us cooperate in developing a productive and realistic agenda for détente, an agenda that serves our interests and not the interests of others who do not share our values. I envision an agenda that anticipates and precludes the exploitation of our perceived weaknesses. One item on that agenda must be to assure that the promises made in the Conference on Security and Coopera-

tion in Europe are translated into action to advance freedom and human dignity for all Europeans. Only by such realistic steps can we keep CSCE in perspective, whatever euphoric or inflated emphasis the Soviet Union or other participants may try to give it. Another agenda item should be the negotiations on mutual and balanced force reductions in Europe. We in NATO should be prepared to take appropriate initiatives in these negotiations if they will help us to meet our objectives. But the Soviet Union and its allies should also be prepared to respond in good faith on the common objectives both sides should be working toward—undiminished security for all, but at a lower level of forces.

—Fifth, let us look to the future of the West itself. We must strengthen our own democratic institutions and encourage the growth of truly democratic processes everywhere. Let us also look beyond our Alliance as it stands today. As an important topic on this agenda, we should begin now to consider how to relate Spain with Western defense. Spain has already made and continues to make an important contribution to Western military security as a result of its bilateral relationship with the United States.

—Sixth, we should rededicate ourselves to the Alliance as a great joint enterprise, as a commitment to follow common approaches to shared aspirations. We must build on the contribution our Alliance already makes through the Committee on the Challenges of Modern Society in coping with the environmental problems of industrialized societies. We must address the issues of population, food, and raw materials. We must find ways to strengthen the world trading and monetary system and to meet the imperatives of energy development and conservation. With the wealth and technological skills which are the products of our free systems, we can make progress toward a better standard of life in all of our countries if we work together.

These six primary tasks of the Alliance illustrate the breadth and depth of our responsibilities and opportunities. They reflect how very complex the world has become and how much more difficult it is to manage the Alliance today than a generation ago. Then, our problems were relatively simple to define; it was easier to agree on common solutions. Today, the problem of definition seems more complicated. In many of our countries there has been a fragmentation of public and parliamentary opinion, which has made it more difficult for governments to mobilize support for courses of action of importance to the Alliance.

But there are constants as well, and they are—in the final analysis—more important than the complexities. Together we continue to be the greatest reservoir of economic, military, and moral strength in the world. We must use

that strength to safeguard our freedom and to address the grave problems that confront us.

I am proud of America's role in NATO, and I am confident of the future of our Alliance.

As President of the United States—but also as one who has been a participant and close observer of the American political scene for close to 30 years—I assure you that my country will continue to be a strong partner. On occasion, in the public debate of our free society, America may seem to stray somewhat off course. But the fact is that we have the willpower, the technical capability, the spiritual drive, and the steadiness of purpose that will be needed. Today, we in the United States face our NATO commitments with new vision, new vigor, new courage, and renewed dedication.

America's emphasis is on cooperation, cooperation within NATO and throughout the world. From diversity we can forge a new unity. Together, let us build to face the challenges of the future.

NOTE: The text of the President's address before the ordinary session of the Council, which began at 5:15 p.m. at NATO Headquarters, was released at Brussels, Belgium.

Earlier in the day, the President held separate meetings with Prime Ministers Gaston Thorn of Luxembourg, Constantine Caramanlis of Greece, Süleyman Demirel of Turkey, Anker Jørgensen of

Denmark, Vasco Gonçalves of Portugal, and Chancellor Helmut Schmidt of the Federal Republic of Germany.

In the evening, the President attended a dinner hosted by King Baudouin at the Royal Palace for the heads of state and government attending the Council sessions. He then met with President Valéry Giscard d'Estaing of France.

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The President's News Conference of May 30, 1975

THE NATO MEETING

THE PRESIDENT. [1.] Let me first set out the basic reasons why we welcomed the United Kingdom's proposal for this meeting at the highest level and why we gave it support and thought it was very timely.

We wanted to reaffirm the need for undiminished defense efforts and to have a general discussion of the problems associated with collective defense.

Second, we wanted an opportunity in this Atlantic forum to review the issues on what we have called the new agenda—the energy problem and its ramifications, the food problem, the interaction of national economies.

We think—and we very much agree with Chancellor Schmidt and others—

that these problems affect the well-being and future of all of the countries of the Alliance, as much as would a potential military threat.

Of course, we know there are other international bodies to deal specifically with these problems, but we feel that this political forum is a good and suitable one in which to have a broad discussion of the approaches.

Third, we felt it timely to review the status of East-West relations, the progress of our efforts to achieve meaningful détente with countries of the East. This is particularly so because the Geneva Conference on Cooperation and Security in Europe is in its decisive phase.

Fourth, and finally, there are clearly some problems within the Alliance itself. We felt it was desirable to have an opportunity to review these where appropriate, to have some bilateral and private contacts.

Among these problems is the dispute between Greece and Turkey and the uncertain developments in Portugal, which concern us.

I have been extremely pleased by the tone and the content of the remarks that were made around the NATO table. I feel that these discussions, the numerous bilateral contacts, the informal talks at the King's dinner last night and the Secretary General's luncheon today, and the final public statement¹ fully justified this meeting.

In terms of our objectives, the common interests of all of the allies in a strong defense and in safeguarding our security by common efforts were reaffirmed. We also recognize that there is much room for improvement in this area, including with respect to more efficient use of the existing resources.

I think new impetus has been given to the work of the military bodies of the Alliance. All of us came away, in my judgment, with a sense of urgency in dealing with the items on the new agenda, and we were especially pleased to hear Chancellor Schmidt's review of these issues.

I think it was a good expression of political will by the allies following the recent sessions of IEA and the OECD. We reaffirmed the need for giving détente real meaning in terms of the values of our countries.

We agreed to continue the close and full consultations among allies on East-West relations, as well as to continue to pool our efforts in ongoing negotiations like CSCE and MBFR.

We faced Alliance problems in a mature and a quite constructive way. I was struck by the fact that all allies stressed common interests even when—as in the case of Greece and Turkey—there exist differences in particular instances.

¹ The text of the final communique issued at the conclusion of the NATO meetings in Brussels is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 578).

It is a measure of the general sense of satisfaction with this meeting that quite spontaneously there arose sentiment for holding these high-level meetings at more regular intervals, as proposed by Prime Minister Trudeau. I would strongly support this.

We can be quite flexible about the precise manner in which such meetings are prepared and held, but it is clear that there was widespread feeling among allies that contact at the highest level, the highest political level, is valuable.

Finally, I found it noteworthy that many allies stressed that they did not feel the need of any special American reassurance concerning our commitment to the Alliance. They stressed that they consider our commitment firm and vigorous. Their confidence is fully justified.

With that, I will be glad to recognize Mr. Cormier [Frank Cormier, Associated Press].

QUESTIONS

DÉTENTE

[2.] Q. Mr. President, the NATO communique laid heavy emphasis on military preparedness, and I wonder if this reflects any misgivings about the future of détente?

THE PRESIDENT. I certainly did not have that impression, Mr. Cormier. The feeling was that by strengthening our allied forces, we could be more effective in implementing the détente approach.

On the other hand, any weakening of our military forces within the Alliance could make it more difficult to proceed with détente between not only the United States and the Soviet Union but between the East and the West in general.

NUCLEAR WEAPONS

[3.] Q. Mr. President, would you use nuclear weapons if there was a conventional attack on Europe by the Soviet Union?

THE PRESIDENT. Miss Thomas [Helen Thomas, United Press International], I don't think that I should discuss military decisions at this time. I think a decision of that kind would have to be made in the proper channels. I, of course, would not expect, if our strength continues and détente prospers, that there would be any need for such a hypothetical circumstance developing.

BRUSSELS MEETINGS

[4.] Q. Mr. President, what do you consider to be the most important achievements of your visit to Brussels?

THE PRESIDENT. Mr. Smith [Joseph Kingsbury-Smith, Hearst Newspapers], I think it was extremely healthy for the heads of state to get together on this occasion. Because there had been some difficulties, some traumatic experiences in Southeast Asia, there were rumors to the effect that the United States, because of that experience there, was retreating to an isolationist stature. It seemed to me that it was wise, under those circumstances, for me to come here representing the United States and speak so firmly, so unequivocally as to our commitment to the Alliance.

But in addition, the exchange of views among the heads of state on the need for close cooperation in the economic field—and I say the economic field in the broadest sense—we recognize that the free world must have a healthy economy if we are to sustain an adequate military stature. And it is important, therefore, that we work together to move us all out of the recession that has been plaguing us for the last few months, and the exchange of views in this area, in my judgment, will be helpful in meeting this particular challenge.

Of course, within the parameters of the economic problems, we did follow on the IEA, the OECD, on the questions of energy and other commodities. So those three areas—particularly, plus, I think, the meeting itself—gave the people of the 15 countries a feeling that unity did exist and that we had a solidarity that would continue the blessings that we have had in the last 26 years.

PORTUGAL

[5.] Q. Mr. President, in your interview with the five foreign journalists last week, you expressed your concern about Portugal, and I wonder if, after your meetings with the Portuguese leaders, that concern has been eased or not?

THE PRESIDENT. Mr. Lisagor [Peter Lisagor, Chicago Daily News], we had an extremely candid discussion with the Portuguese Prime Minister and his colleagues. The Portuguese Prime Minister explained the goals of the political movement in his country. He explained, in some detail, the political setup as it existed and as they anticipated it would be for a period in the future.

I spoke very frankly about the concern of democratic forces in Portugal, and I particularly emphasized this because all of us in the Alliance greeted the revolution that took place there about a year ago. We had much hope and we had much sympathy for the trend that had developed as a result of that revolution.

Equally, however, I did point out the contradiction that would arise if Communist elements came to dominate the political life of Portugal, and it is my judgment that others among the allies had a somewhat similar concern.

There is a general agreement that the situation must be watched with care and

concern, but also with deep sympathy and friendship with the people of Portugal.

What I said last week, I think, coincides with what I have said today. We are all hopeful, but we have to be watchful.

SPAIN

[6.] Q. Mr. President, after the NATO rebuff with Spain,² what new proposals have you in mind to shape the American-Spanish agreement?

THE PRESIDENT. Could the question be repeated?

Q. The NATO rebuff with Spain. What proposals do you have in mind at this time?

THE PRESIDENT. We will be negotiating, of course, with the Spanish Government for the extension of base rights and the bilateral relationship. I don't think it is proper for me at this time to get into the details of those negotiations and the talks that will take place tomorrow.

I might, since the question was raised about Spain, indicate the situation as it developed here in the last 24 to 36 hours.

As I think most of you know, I believe very strongly that the role played by Spain through its contribution to Western defense, by its bilateral U.S. defense relations, is an important one. The bilateral relations that the United States has with Spain, as we see it, does contribute significantly to the defense of the West.

Now, without speaking personally for any one of the other allies, I think this is an understood fact, and hopefully, therefore, the negotiations that you speak of can be concluded successfully.

Now, if I could add one other comment vis-a-vis Spain and the allies. We, the United States, continue to favor a Spanish relationship with the Alliance. We think this is important, even though we recognize the unlikelihood of it taking place in the future or the immediate future.

But it is an issue that the Alliance must face, and we hope that as time moves on, there will be a better understanding of it and hopefully a developing relationship.

GREECE

[7.] Q. Mr. President, in your address to the NATO conference, you talked about partial membership or special arrangements in the Alliance. We all know that Greece has a special arrangement now and that France has a special ar-

² On May 29, 1975, the NATO Council had rejected an American proposal to consider Spanish membership in NATO.

rangement now. Would you tell us the differences, as you see them, between those two relationships and what ought to be done with them?

THE PRESIDENT. Well, the comment that was included in my prepared text did not refer to France's permanent relationship. The comment in the text had specific relationship to the circumstances involving Greece.

As you know, following the Cyprus difficulties of last summer, Greece made a decision to terminate its previous relationship with the allies. It is now in a different relationship than any one of the others in the Alliance.

It is a relationship, however, that we hope, once the Greek-Turkish dispute is resolved over Cyprus, that Greece will return to its previous status within the Alliance. And of course, the meetings that have been held between Greece and Turkey over the last several months, and the meeting that the Foreign Ministers of Greece and Turkey are having tomorrow, will hopefully lead to some progress in this dispute.

If that progress materializes and the dispute is settled, we are most hopeful that Greece will return to its permanent previous relationship within the Alliance.

CONFERENCE ON SECURITY AND COOPERATION IN EUROPE

[8.] Q. Mr. President, the NATO communique refers to the need for deeds in terms of the accomplishments projected for the European Security Conference, and you also have referred to that, sir. Also, we have the problem of the SALT negotiation to be concluded. Do you see, sir, any risk that the timetable may be upset, which could affect the convening of a summit conference in Washington with Secretary General Brezhnev?

THE PRESIDENT. The CSCE negotiations are reaching a point where there is some reason for optimism. There are some points that must be resolved, but progress is being made.

I am not in a position to forecast when the final agreement will be achieved, if it is, but there is a possibility that the time schedule of several months ago might materialize, and if it does, then I think the follow-on SALT II meeting in Washington can also be on schedule.

But in both cases, there is no final agreement, so I hesitate to be precise as to a date in either case.

BRUSSELS MEETINGS

[9.] Q. Mr. President, in your head-to-head talks with some of the leaders from the other nations, did you carry the ball in the discussions or did you rely on Secretary Kissinger to do most of your talking? [*Laughter*]

THE PRESIDENT. Those bilateral discussions between myself and the heads of state were carried out in the traditional fashion. In each case, the foreign minister representing the other government and Secretary Kissinger were present. They were constructive. They were, I think, a free discussion where the parties there fully participated.

THE MIDDLE EAST

[10.] Q. Mr. President, in your meetings with the full Council and with the individual heads of state and government, did there come up in the conversation the difficulties you have had in trying to get a Middle East peace settlement, and did you come away with a feeling that you will have support of the member nations in your efforts in Vienna [Salzburg] with President Sadat and later in Washington with Rabin?

THE PRESIDENT. In almost every bilateral meeting, the question of the Middle East did come up. In each instance, we gave our reassessment procedure. We indicated that I was meeting with President Sadat in Salzburg and then subsequently meeting with Prime Minister Rabin in Washington.

We pointed out the three alternatives that have been well written about. We indicated that any views or recommendations that might be made by the heads of state or the foreign ministers would be most welcome.

We did reemphasize that our objective in the Middle East was peace, that we could not tolerate stagnation or a stalemate. We felt that movement was essential in the recommendations that I do make, sometime the latter part of June, early July, will be a position of movement aimed at the objective of a secure peace in the Middle East, and I think, the feeling of the allies here was one of—supportive of the general objectives without getting into any of the procedures or the details.

MR. CORMIER. Thank you, Mr. President.

NOTE: President Ford's fourteenth news conference began at 7:29 p.m. in the press center at the Brussels Sheraton Hotel, Brussels, Belgium.

In addition to attending the morning and a portion of the afternoon sessions of the NATO Council meeting, the President held separate meetings with

Prime Ministers Harold Wilson of the United Kingdom, Pierre Elliott Trudeau of Canada, Geir Hallgrímsson of Iceland, Trygve Bratteli of Norway, and with François-Xavier Ortoli, President of the Commission of the European Communities.

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Remarks on Arrival at Madrid, Spain.*May 31, 1975**Generalissimo Franco, Mrs. Franco, friends of Spain and of the United States:*

I begin my visit in Spain with very real satisfaction that comes from renewing and underlining the traditional relationship and friendship between our two countries.

My last visit to Spain was at a time of mourning in the closing days of 1973. Today is a happier occasion. I look forward with keen interest to our discussions.

This is a time of rapid change and challenge worldwide. We shall respond to these new challenges, as we must, both individually and collectively. I have confidence in our proven ability to work together in the pursuit of common interests, and I have confidence in Spain—a nation with future of great promise.

The dignity, the pride, the resilience of the Spanish people have been forged over a history much longer than that of the United States. Spain has contributed much to the history and to the culture of the United States. Today, millions and millions of Americans speak the Spanish language.

My visit to Spain is, above all, a recognition of Spain's significance as a friend and as a partner. Our excellent relationship is confirmed in the 1974 Joint Declaration of Principles. Our peoples seek the same objectives of peace, progress, and freedom.

By geography and by history, Spain has a logical place in the transatlantic community. For more than 20 years, Spain has shared with America and with Europe the burdens of promoting the prosperity and the security of the Atlantic and Mediterranean regions. Spain can be proud of that contribution.

Generalissimo Franco, Your Excellencies, friends, it is my privilege to bring to you the greetings of the people of the United States. Our two countries look forward to a future of expanding cooperation. I know that we will meet the challenges and the changes that lie ahead.

Thank you.

NOTE: The President spoke at 11:20 a.m. at Barajas Airport in response to remarks of welcome by Generalissimo Francisco Franco.

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Remarks on Receiving the Key to the City of Madrid.*May 31, 1975**Mr. Mayor, Your Excellencies, ladies and gentlemen:*

Mrs. Ford and I have been very deeply touched by the friendliness and the warmth which have marked our arrival in Spain. The hospitality was evident in the gracious welcome of the Chief of State and the Spanish people as we entered this beautiful city.

Many Americans are familiar with a phrase bespeaking Spanish hospitality: "My home is your home." In accepting this key to the city of Madrid, I have already been made to feel completely welcome and at home.

To me, this key represents more than hospitality. It signifies the opening of doors, new doors to greater achievements in bringing the Spanish and the American people closer, closer together, and building upon the friendship that we have already shared. It is in this spirit, Mr. Mayor, that I accept this key to your great capital city, and I thank you from the bottom of my heart.

NOTE: The President spoke at 12:09 p.m. at the Plaza Cibeles in response to remarks by Mayor Miguel Angel Garcia-Lomas.

El Pardo Palace for meetings with Generalissimo Franco and President of Government Carlos Arias Navarro.

Following his remarks, the President departed for

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Toasts of the President and Carlos Arias Navarro, President of Government of Spain, at a Working Luncheon in Madrid.*May 31, 1975**Mr. President, Mr. Minister, Your Excellencies:*

For a quarter of a century, Spain and the United States have enjoyed the most cordial and the most productive ties, characterized by our common efforts to meet the danger of aggression against the Western community of nations and, supported by mutual respect for the aspirations of our respective peoples, to secure for themselves a better life.

Mindful as we have been of each other's concerns and needs, we have forged, fortunately, a harmonious and a very fine relationship.

We have met today to reaffirm our commitment to build this cooperation in a mutually beneficial manner.

The world has changed, as we well know, from when the first U.S.-Spanish friendship agreement which was signed in 1953. But the need for strong defenses has not lessened in any way whatsoever. Spain and the United States have, in the past, contributed together to the maintenance of a strong Western security. The present and future call for no less effort. The United States remains totally dedicated to this task.

It would be my observation that the cooperation being carried out in so many fields between our countries demonstrates the breadth of our interests, the depth of friendship, and the commitment of the United States and Spain to a better life for our citizens. Spain, of course, is an important part of our Atlantic conception.

Mr. President, I raise my glass and propose a toast to this spirit of friendship. May our cooperation be preserved and strengthened. May it assure peace for Spaniards and Americans alike.

Mr. President.

NOTE: The President spoke at 3:35 p.m. in the Salon de Columnas at Moncloa Palace. In his opening remarks, he referred to Foreign Minister Pedro Cortina Mauri.

President Arias Navarro spoke in Spanish. His response was translated by an interpreter as follows:

Mr. President:

It constitutes for me a great honor to attend this working lunch, which you have so kindly invited me to.

During the tight schedule of your visit to our country, we will have the opportunity to keep a broad exchange of views, which will constitute the basis of an understanding with which to cement an official and positive cooperation of the one that fortunately has guided so far the relations between our two countries.

Spanish-American relationships have blended throughout history. For Spain, it is a motive of deep pride in her glorious past to have so substantially contributed to the origins of the great American Nation, both during its discovery and its independence.

In the past, European inhabitants of territories which then became the United States were of Spanish origin. Also Spanish was the initial impulse and backing received by the forefathers of America in the heroic days of her access to the concert of free nations.

The last 25 years of understanding and cooperation between Spain and the United States has become particularly intense. This cooperation has been, I am sure, one of the fundamental supports for the existence of the free world.

Spain believes that the hour has come for this direct, loyal, and disinterested contribution on her

part to be acknowledged in specific and practical terms by the nations that formed the Western world, to which our country belongs, as well as for its geographical position, its history, and its culture, and for its past and present contributions.

Mr. President, this is not the first time that Spain has had the honor to receive you. You have come to Madrid before, when you represented your country in the event of the tragic death of my predecessor, Almirante Carrero Blanco, a sorrowful occasion for all Spaniards, especially for those of us who had the privilege of sharing the responsibilities of government under his command.

Your visits then and today, we believe, fit in that long tradition of cooperation that I have already mentioned. That is why the Spanish people, my colleagues in the Government, and myself think that nobody better than you can understand the depth and importance of existing cooperation between our countries, as well as the need for preserving such understanding for the future sake of values that belong to our common civilization and that have been so efficiently defended so far.

We congratulate ourselves, Mr. President, and we thank you for your visit to Spain. We are certain that you share with us the desire to continue our friendship, already a tradition. You can be sure that Spain trusts your leadership in the Western world and knows that our common objectives can be reached.

Allow me, Mr. President, to raise my glass for the perseverance of that spirit of friendship and understanding existing between Spain and the United States, for the friendship of the American people, as well as for yours.

Following the luncheon, the President met with Prince Juan Carlos at Moncloa Palace.

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**Toasts of the President and Generalissimo Francisco Franco
of Spain at a State Dinner in Madrid. May 31, 1975**

Generalissimo Franco, Mrs. Franco, Your Royal Highnesses, distinguished guests, and friends:

In 1953, our two nations embarked on a new course designed to increase cooperation and to enhance security. Our relationship is succeeding in its purposes in the past and at the present time. The independence of the West has been preserved. We have prospered in a manner that would have not been expected a quarter of a century ago. Our nations have both benefited.

Today's challenges, however, are much more complex. We must maintain strong and credible defenses while working to lessen tension. We live in a world that is becoming increasingly interdependent; cooperation becomes ever more important.

We are both proud of our independence, yet we recognize the need of working together. Each year marks increasing contacts, increasing cooperation between the Spanish and the American people in a growing number of fields ranging from medicine to urban development, to the arts, to agriculture, to science, and education.

To meet the needs of tomorrow, we must continue our cooperation, and I know this is a shared objective between your country and mine. As recognized in the 1974 Joint Declaration of Principles, our joint endeavor has strengthened the cause of peace. Through its bilateral defense cooperation with the United States, Spain is making a major contribution to the Western world.

Other nations of the transatlantic community have benefited from our cooperation, that of Spain and the United States. In our bilateral relations, we are prepared to draw practical consequences from these facts. We are both members of the international organizations created to increase cooperation among nations, such as the International Energy Agency. Such ties should be continually broadened to increase the strength of each, and we are determined that they will be.

Your Excellency, the warmth of your welcome today and the hospitality of the people of Spain has been very important to me and to my country. This delightful dinner in such splendid surroundings with so many friends has been the climax of a day filled with deeply moving experiences—from the demonstration of affection by the Spanish people who greeted us today, to renewing friendships with you and Prince Carlos, and exchanging ideas for the first time in a most

profitable way with President Arias Navarro. Each were very rewarding experiences.

They are eloquent testimony to the depth of friendship between our two countries.

I lift my glass to Spain and to the United States, to our growing friendship in the years ahead, to Generalissimo Franco, to His Royal Highness Prince Juan Carlos, and to the Spanish people.

NOTE: The President spoke at approximately 10 p.m. at the Royal Palace in response to a toast by Generalissimo Franco.

Generalissimo Franco spoke in Spanish. His remarks were translated by an interpreter as follows:

Mr. President:

It has been for me both an honor and great affection to welcome here President Ford, whose human qualities and whose virtues as a statesman are well known to us all, also, his long political record in his service to his country and in the defense of world peace.

It also constitutes a special pleasure to my wife and to myself the presence among us of Mrs. Ford, whose personal charm and grace has conquered us all.

Finally, it is also noted with greatest affection to have here the distinguished guests that accompany you.

During nearly a quarter of a century, relations between Spain and the United States have followed a line of consolidation in our friendship, of participation in a series of common aims and objectives, of the nation of values that we as members of a free world share together.

With your visit now, you have intended to renew the attention of the Government and the American

people showed us on the occasion of former visits by your former predecessors, Presidents Eisenhower and Nixon.

I would like to extend to you, Mr. President, my gratitude and that of the Spanish people for proving to you in your visit to Madrid that Spain constitutes one of the fundamental stops in your visit to Europe, a visit which you are making as head of a country which leads the group of nations that forms the Western world.

Before the foreign threats that are looming over our civilization, on which we have to act now—subversion and terrorism, seeking without any doubt to destroy our way of life—the Western world is in need more than ever before for cohesion for the defense of values that are common to us all.

It can be said, Mr. President, that you will find in Spain a sincere friend ready to cooperate with generosity and reciprocity to defend those values, as well as to keep peace and justice among all nations.

Allow me, Mr. President, to raise my glass to the continued friendship of our two countries, to the personal welfare of yourself and Mrs. Ford, and to the peace and happiness of the country in whose name you are here today—the United States of America.

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Statement on Departure From Madrid.

June 1, 1975

AS WE depart Spain, Mrs. Ford and I wish to express our sincere gratitude to General and Mrs. Franco, to Prince Juan Carlos and Princess Sofia, to President and Mrs. Arias, and to the Spanish Government and to the Spanish people for the wonderful reception accorded to us.

The warmth with which we have been received, the cordial, frank, and productive discussions I have had with your highest officials, the friendship which

we have found for the United States, have made our visit to Madrid an unforgettable experience which Mrs. Ford and I will long remember.

Many today question the course of the future, but I have no doubt of the increasingly important role Spain will play in that future, in the world as a whole and, particularly, in the West. Spain is a part, geographically and historically, of Europe. Spain is a part of the transatlantic community. Accordingly, I am sure the future holds for Spain a greater role in European and Atlantic organizations of importance to both of our countries.

You have our sincere thanks and appreciation for the wonderful welcome extended to us at all levels and during every moment of our stay. As a result of my meetings here, I am confident that the United States and Spain, working together, will produce a better life for our peoples and contribute to the prospects of a better life for people everywhere.

NOTE: The statement was released at Madrid, Spain.

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Remarks on Arrival at Salzburg, Austria.

June 1, 1975

Mr. Chancellor, Mrs. Kreisky, ladies and gentlemen:

Thank you for your gracious welcome to Salzburg—and I am sorry that I tumbled in.¹

I am very pleased to have this opportunity to renew my acquaintance with you, Mr. Chancellor, your country, and the Austrian people.

Mr. Chancellor, 20 years after the signing of the State Treaty in 1955, Austria is a stable, prosperous country and an active participant in European and world affairs. Your hospitality in offering Salzburg as the site for my meetings with President Sadat reflects Austria's constructive international policy and the traditional warmth of the Austrian nation.

Mr. Chancellor, I look forward to my personal discussions with you today. I know personally of Austria's commitment to reaching peaceful solutions to the international problems from our productive talks in Washington last fall.

America is committed to the reduction of tension and the increase of co-

¹ On alighting from Air Force One, the President slipped and fell down the last few steps of the rain-dampened steel ramp leading from the airplane.

operation in our efforts to achieve a peaceful world. The talks that we will have can contribute to this process.

I thank you very, very much.

NOTE: The President spoke at 10:30 a.m. at Salzburg Airport in response to remarks of welcome by Austrian Chancellor Bruno Kreisky.

Following his remarks, the President departed for a meeting with Chancellor Kreisky at Schloss Klessheim.

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**Toasts of the President and President Anwar el-Sadat of Egypt
at a Working Luncheon in Salzburg. June 1, 1975**

Mr. President, and distinguished guests:

I have long looked forward to meeting you, and I am especially happy that the arrangements were made for us to meet in this historic area in these beautiful surroundings.

I have heard so much from our Secretary of State concerning your forward-looking, statesmanlike views and attitudes, I am sure that we can have many, many constructive moments here in this wonderful area.

My great hope, of course, Mr. President, is that our next meeting will take place in the United States, where we can reciprocate for the warm and very gracious hospitality recently extended by you and the Egyptian people to so many of my fellow Americans, for which I thank you from the bottom of my heart.

Mr. President, we can take great pride in the accomplishment achieved through the very close cooperation of the past year and a half between your country and mine. Inevitably, there have been some disappointments. Nevertheless, I do not feel that these frustrations and difficulties should turn us away from our mutual goal, which is the establishment of a durable peace, just and fair to all peoples of the Middle East.

I would like to take this opportunity to say with emphasis that the United States will not tolerate stagnation in our efforts for a negotiated settlement—stagnation and a stalemate will not be tolerated. A just and durable peace, fair and equitable to all parties, can and will be achieved.

Mr. President, you have impressed the American people and the world, in my judgment, by your statesmanship and by your wisdom. We understand quite clearly the historic significance of your policies and we will, in every way, attempt to be responsive to the opportunities that you have created.

I think you have demonstrated beyond any doubt, Mr. President, Egypt's sincere desire for peace by deeds as well as by your own fervent desire to turn the energies and the talents of your people toward the creation of a better life for them and all peoples.

The United States is prepared. We recognize the problems you have and will do our utmost to be a helpful partner in your programs for progress of Egypt.

Mr. President, I would like to propose a toast: to your health and to your efforts on behalf of your people, and to the people of your country.

NOTE: The President spoke at approximately 2:30 p.m. at Schloss Fuschl in response to a toast by President Sadat, who hosted the luncheon. President Sadat spoke as follows:

Mr. President, distinguished friends:

It is with great pleasure that I welcome you and look forward to our talks. This is so in the light of my firm conviction that we should grant this historical moment and combine our efforts in order to defuse the explosive situation in the Middle East and pursue the course of action we have initiated in the recent past for laying down a solid foundation for a just and durable peace.

Mr. President, it is seldom in history that the heads of state of two countries on which peace or war depends in such a strategic area as the Middle East meet together to build the foundation of normalcy, tranquillity, and the legitimacy for the peoples of the Middle East.

Salzburg, this beautiful city, will go into the annals of history marking a new development in our area, together with the evolution of our bilateral relations in such a manner that would promote more contact and understanding between the American and Egyptian people.

Mr. President, in a moment of such magnitude, what it needs is not only vision and wisdom but most of all leadership, coupled with the readiness and ability to take major decisions and implement them.

This is really the crux of the whole matter, and it is up to both of us to take the decision and restore peace and justice in conformity with the norms of international law and legitimacy.

Mr. President, it is often said that the Middle East problem is a complex one, and that this is the reason why it is not possible so far to find an equitable solution to that problem.

In my opinion and in all candor, I believe that there is no other problem which is easier to solve than the Middle East problem. It is a simple question as long as the parties concerned—including the super powers who are, in one form or the other, wittingly or unwittingly involved in the problem—adhere to the basic and undisputed principle, namely, the recognition of independence and territorial integrity of states, the inadmissibility of acquisition of territory by force, the acceptance and respect of the basic kind of self-determination for the Palestinian people and their right to live in a national home.

If all these principles are adhered to and respected by all the parties, then and only then belligerency can be terminated, and peace could reign over the Middle East with its strategic importance. Only then could the countries of the area contribute to the progress and development of the international community at large. Hence, all countries existing in the area will continue to develop in their own way, and the state of peace and nonviolence will prevail.

In short, Mr. President, we are facing a historical challenge, and the whole world is watching our meeting. And I do not think that either of us will shrink his responsibility. Let us meet the challenge and prove to the world that we are people worthy of our own civilization and that the horizons of peace are not very far along as we act, and act with determination and vigor.

Distinguished friends, as a tribute to the wisdom of President Ford and his constructive efforts towards peace and friendship among nations and the mutual cooperation between our two countries, I invite you to drink a toast and wish him all the success and fulfillment.

Thank you.

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Toasts of the President and Chancellor Bruno Kreisky of Austria at a State Dinner in Salzburg. June 1, 1975

Chancellor Kreisky, President Sadat, honored guests, ladies and gentlemen:

In the few hours that Mrs. Ford and I have been here, we have been struck by the remarkable charm and the character of Salzburg. And we thank our hosts in this area for their warmth and the friendship that they have shown us.

Austria and the United States have enjoyed warm and friendly ties over a long span of time. Our relationship during the postwar period has been especially close and mutually sustaining.

We value Austria's important role in the search for order and stability in the world, for its contributions in the Middle East, in Cyprus, and elsewhere, in the effort to preserve peace and work toward the negotiated resolution of international conflicts.

When I arrived this morning, I spoke of the reestablishment of a sovereign Austria, the 20th anniversary of which was celebrated just a few weeks ago. The State Treaty and subsequent rebuilding of Austria has served as a landmark for the postwar history.

This landmark demonstrates the possibility of achieving stability and security through negotiation and strict adherence to the principles of democratic self-determination and national sovereignty.

The conciliation demonstrated by all sides helped to produce the vigorous, dynamic, and prosperous Austria that we see today. It contributed to a stable, regional political environment. This experience proves a useful lesson in the search for peace in other regions.

I am particularly grateful to your government and to you, Mr. Chancellor, for providing these hospitable surroundings for the meetings with President Sadat.

In our talks today, we have had a welcome opportunity to review the recent positive trends and relations between the United States and Egypt. We have also begun a very useful review of developments in the Middle East, and the exchange of views has been extremely helpful. It is my fervent hope that our talks will contribute to a settlement in the Middle East.

Mr. Chancellor, I raise my glass to Austria and to the objectives that we seek and to you and to world peace.

NOTE: The President spoke at approximately 9:45 p.m. at the Salzburg Residenz in response to toasts by Chancellor Kreisky and President Sadat.

Chancellor Kreisky spoke in German. His remarks were translated by an interpreter as follows:

My dear Presidents, ladies and gentlemen:

The people of Austria are honored and pleased that two leaders, two heads of state of such great importance, have decided to meet in Austria in order to become acquainted with one another here in the city and in the land of Salzburg.

The Austrian Federal Government is aware of the political significance of this meeting. It does not presume to seek a share in this dialog. It only wants to express its hope that the deliberations between two statesmen of such great importance may

serve the cause of peace and understanding among nations.

The Federal President has authorized me to raise my glass on his behalf and on behalf of the Austrian Federal Government to the personal well-being of the two Presidents and to the health and well-being of their nations.

Earlier in the day, President Ford and President Sadat held a meeting at the Residenz.

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Exchange With Reporters Following a Meeting With President Sadat of Egypt. *June 2, 1975*

PRESIDENT SADAT and myself have concluded extensive discussions. It has been a pleasure for me to personally meet President Sadat, and I am appreciative for the opportunity of establishing a relationship with him.

I explained the considerations that are important, from our point of view, of the dedication that we have for a permanent peace based on a fair and equitable settlement. The meetings were conducted, I think, in a very constructive manner.

After leaving here, in the weeks ahead I will have further consultations that, I trust, will lead to the overall objective that I seek of a permanent peace that will be in the best interests of all of the parties.

PRESIDENT SADAT. Well, ladies and gentlemen, if I may add some words, I consider that the big achievement in this meeting is that I have made the acquaintance of President Ford. I have always said, before I met him and when I saw the Congress receiving him, that he is an honest and a straightforward man.

Now I must add that he is a peace-loving and peace-struggler also. Added to what I said before, we had intensive talks and a complete survey of the whole situation, and we have discussed lots of considerations.

I shall be going back to my country, and we shall be discussing all the various aspects, and at the same time, I shall be always in contact with President Ford.

And may I seize this opportunity to extend an invitation for President Ford to visit our country and to meet with our people, and we shall be very happy to have him among us.

Thank you.

PRESS SECRETARY NESSEN. We will have a few questions.

Miss Thomas [Helen Thomas, United Press International].

Q. I would like to address my question to both Presidents, and it is a two-part question.

Mr. President, first, did you reach any kind of an agreement on a second-stage disengagement which would involve step-by-step diplomacy?

And two, did you discuss in any way the final form of a peace settlement within the context of the prewar 1967 borders?

PRESIDENT FORD. As I said in my opening statement, we took into consideration all of the circumstances that are necessary for any agreement, whether it was step-by-step or a comprehensive agreement. The considerations were on the broadest basis so that we could have a complete and total picture of what the problems are in seeking the solution that is what all of us want, which is peace on a fair and equitable basis, that being in the best interests of not only those in the Middle East but the world at large.

Q. My question is to Mr. President Ford. How do you expect the reaction in the Senate after the reassessment of the U.S. policy in the Middle East? And don't you consider the letter of the Senators¹ to be—delivered to you before this meeting with President Sadat—as a sort of pressure?

PRESIDENT FORD. The reassessment that I have been conducting for the last several months has included a great many suggestions from within the United States—experts in both political parties. It has included the observations and suggestions of those from other nations throughout the world, of course including the Middle East.

I have never felt that the suggestions that have come from any source in the context of pressure. We have sought to assemble all of the information that would be aimed at seeing all of the difficulties, all of the benefits. There is a wealth of information that is vitally important, and on the benefit of those recommendations, my reassessment will be concluded with a plan that I will submit at the appropriate time.

Q. President Sadat, if I may, sir, I believe you have said that real peace between Egypt and Israel is not possible in this generation. Have you changed your mind or, in fact, has Egypt changed its position in any way since last March?

¹ The week prior to his trip to Europe, 76 Senators had sent an open letter to the President urging that American economic and military assistance to Israel not be reduced. The text of the letter is printed in the Congressional Record of May 22, 1975 (vol. 121, S8933).

PRESIDENT SADAT. Well, I didn't say, for the first thing, that peace cannot be achieved. On the contrary. In my speech I said—in spite of the fact that it is a very complicated and difficult problem—but it is very easy to reach a solution when we solve the very simple, fundamental basis of the whole conflict.

I said, and I say always, that the biggest achievement we can do is that we end the state of belligerency that has already taken more than 27 years up till this moment. The peace process will be a long one, so it should be clear, and I think I made myself clear.

Q. President Ford, just to follow up your answer to Miss Thomas, what do you envisage the next step to be in the movement towards the settlement of the Middle East crisis?

PRESIDENT FORD. We have not made any decision as to the next step. There are, of course, a number of alternatives. I think it is premature at this time for me, not having concluded the full consultation that I had programed, to indicate in any way whatsoever that a final decision has been made. The objective is clear—it has been from the outset—and it will be the aim of whatever recommendation that I make as a result of the reassessment.

If I might, I would like to add, the discussions between President Sadat and myself have reaffirmed the bilateral relationship between Egypt and the United States, a bilateral relationship that I feel has been constructive, and the discussions that we have had for the last day or so have reaffirmed the continuity of this relationship.

REPORTER. Thank you, Mr. Presidents.

NOTE: The exchange began at 1:35 p.m. in the courtyard of the Salzburg Residenz.

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Toasts of the President and President Sadat of Egypt at a Working Luncheon in Salzburg. June 2, 1975

Mr. President:

As you know, it has been a very high privilege for me to meet with you and discuss our mutual problems, as well as our hopes and our aspirations for a joint and a very durable peace in the Middle East [based] on Security Council Resolutions 242 and 338.

I am also glad to see so much of Henry [Kissinger] here in Salzburg. I have often thought he might have been taking up residence in the Middle East. [Laughter]

As you know, the United States will celebrate its 200th anniversary of independence next year. We are now taking a new look at our own early history. As our celebration begins, we have new pride in the courage, the vision, and the wisdom and determination of our forefathers.

America has long stood for peace and human progress based upon justice. And I want you to know, Mr. President, that these remain our objectives now and, I am certain, in the future. They have the full support of the American people, regardless of their political persuasion.

You and I have very thoroughly reviewed the situation in the Middle East and its implications for the area and the world as a whole. We have discussed the approaches to the continuing process of negotiation. The final decision, of course, cannot be made until other consultations have been held.

We both are totally agreed on the need, indeed, the imperative of giving momentum to progress toward peace. And as I have pledged to you, Mr. President, the United States will not permit a stalemate or a stagnation to develop in this all-essential progress. And I believe that our consultations have made a very important contribution toward this objective.

Mr. President, you gave me a very illuminating picture of your plans to put Egypt on the path of sustained economic progress for the future. And I assure you that the United States is prepared to provide Egypt with current assistance as a basis for a long-range economic development, both bilaterally and in cooperation with other states and other international institutions. And I will work with our Congress to give reality to this continuing pledge.

Mr. President, I have found in our talks that we both share the same goal—peace and progress for our peoples and for all humanity. For that reason, I am gratified that our two countries have strengthened friendship dramatically in the past 2½ years and begun cooperation in so many broad fields. I am determined, Mr. President, to continue and to expand this friendship.

Nothing is more apparent in today's world than the fact that the destinies of nations are intertwined. The interdependence of nations is not simply an abstract concept; it is a reality that all peoples and all nations must recognize. The problems of one are the problems of all; the progress of one contributes to the progress of all.

We in the United States will conduct our relations with you, Mr. President, in this broad spirit. And we know this is your desire as well. Together, Mr. President, and in cooperation with other states that seek peace, progress, and human dignity, we will achieve our common goal.

Gentlemen, I ask all of you to join me in a toast to the President and to the

people of Egypt, to peace in the Middle East, and in the cause of peace for all peoples.

NOTE: The President spoke at 3:22 p.m. at Schloss Klessheim. President Sadat responded to the President's toast as follows:

Dear President Ford, distinguished friends:

It was only yesterday when I first met President Ford in person to deepen the acquaintance, respect through the exchange of letters and views in the last few months.

I am pleased to say that our first get-together was a delightful and illuminating one, as it revealed to me President Ford's great vision, compassion, and genuine commitment to the cause of peace.

Not surprisingly, I found that the President agrees fully with me that the situation in the Middle East is an explosive one that makes it imperative on all the parties concerned to take the urgent actions and measured decisions if we are to avoid another unfortunate outburst of violence.

No one who is sincere in his desire to establish peace in that sensitive and strategic area can possibly tolerate a stalemate or stagnation. Such a state of

affairs does not in the least reduce tension or stimulate the process of peace. On the contrary, it gives way to increased mistrust, accumulated frustration, and escalated tensions.

We cannot keep the conflict within manageable proportions unless we strive to maintain the momentum of peace through concrete actions that could convince people that peace is not only a desirable ideal but also a practical and workable proposition.

I am equally pleased with President Ford's sincere desire to strengthen the bilateral relations between our two countries and peoples in the interest of world peace and international cooperation.

Dear friends, while I invite you to stand up and drink a toast for President Ford and the American people, I would like to state that we are looking forward to seeing the President and Mrs. Ford in Cairo.

Prior to the luncheon hosted by President Ford, the Presidents held a meeting at the Salzburg Residenz.

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Remarks on Arrival in Rome, Italy.

June 3, 1975

President Leone, Mrs. Leone, Mr. Prime Minister, Excellencies, and friends:

Mr. President, Mrs. Ford and I express our grateful appreciation for the very warm and generous welcome. We are delighted to be here.

The United States and Italy are close friends and very close allies. This fact was apparent during President Leone's visit to Washington in 1974. That visit was memorable to me as the first visit by a European head of state to the United States during my Presidency. The very positive results of our discussions were reflected in the U.S.-Italian joint statement issued last September.

Now, during my first visit to Europe as a President, I come to Rome to continue our consultations on the many, many issues of great importance to both of our countries.

Our discussions today will be inspired and strengthened by the results of the NATO summit meeting in which both our countries participated last week and by our reaffirmation, together with other NATO member nations, of our dedication to Alliance goals.

Extraordinary ties of friendship and kinship link our people. It is my pleasure to bring to you, Mr. President, the greetings and the very high regard of the people of the United States for Italy. In a world of rapid and dramatic change, Italian-American friendship stands out as a symbol of stability and resolve.

I know that our meetings, Mr. President, will reinforce the traditional bonds of affection and cooperation between our two countries, thus contributing to our goals of peace and prosperity for Italy, for the United States, and for all nations.

NOTE: The President spoke at 10:41 a.m. at the Palazzo Quirinale in response to remarks of welcome by Italian President Giovanni Leone. Also present

was Prime Minister Aldo Moro.

Following his remarks, the President held a meeting with President Leone.

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Toasts of the President and President Giovanni Leone of Italy at a State Luncheon in Rome. June 3, 1975

Mr. President and Mrs. Leone, Mr. Prime Minister, and Excellencies:

I am delighted to be in the Eternal City of Rome, the justly celebrated capital of Italy.

It is a pleasure and an honor to be with you today in this hospitable and historic palace. I am mindful of the symbolism of this visit underlining as it does the traditional friendship and ties between our two countries.

We in America have just begun the celebration of the 200th anniversary of the United States' struggle for independence. The very name "America" derives from an Italian navigator. Among the Italian contributors to the early history of the American Republic are William Paca, a signer of the Declaration of Independence, Fillipo Mazzei, a close friend and collaborator of Thomas Jefferson.

Since the very beginning of our country, the human ties between Italy and the United States have enriched America's life, America's culture, and have served to establish the basis for the deep and very warm friendship that exists today.

For a quarter of a century as a Member of the United States Congress, I served in our national Capitol building. As a result, I was mindful of the contributions of artists and skilled workers from Italy to design, to construct, and decorate our national Capitol.

The paintings, the carvings, and the statues of Italian conception and artistry

have become enshrined at the very heart of our Government as a part of America's history and America's heritage. This symbolizes only one aspect of our great debt to Italy.

Our hearts are lifted when we hear America's many bands playing stirring airs, and we do recall that President Thomas Jefferson, who loved the music of Italy, invited Italian musicians to create our first military band.

In considering those who have made distinguished contributions to the relations between our countries, I would like to take this occasion to express my appreciation for the outstanding service of your Ambassador to the United States, Ambassador Ortona. He has gained the respect and the appreciation of not only American Presidents and Secretaries of State but also of the American people.

Americans in Italy never feel that they are among strangers. We always have the feeling that we are with close friends.

In this relationship, our two countries share much in common. Our cultural, economic, fraternal, commercial, and social ties affirm our continued cooperation and close association. Our Governments are committed to a world of freedom and peace and to overcoming tensions which threaten the peace. We are committed to the strength of an alliance that has kept more than a quarter century of peace on the Continent and which is indispensable to our concerted efforts to reduce tensions and to increase cooperation. Of first importance, we share a firm dedication to democratic government and the principles of freedom and liberty. We in America value the role of Italy in the world, your contributions to the Atlantic Alliance, and your efforts toward a stronger and more cohesive Europe working with the United States.

These bonds and shared goals, Mr. President, were set forth in the joint statement issued on the occasion of your visit to the United States last year. They have been reaffirmed in our discussions today.

At the NATO summit conference in Brussels last week, the member nations of the Atlantic Alliance renewed their commitment to the Atlantic Alliance and to the principles of friendship and cooperation and the common defenses, which are its foundation.

I must emphasize how much the United States values Italy's partnership and Italy's contributions to the Alliance. We greatly admire the leaders and the people of Italy in carrying through difficult economic measures which are crucial in fighting today's economic difficulties. We are keenly aware of Italy's strengths. We are proud of our alliance with you and take confidence in the knowledge that this relationship is welcomed by you.

Mr. President, the warmth of the welcome given me today by you, by your gracious and charming wife, and by the people of Rome on behalf of all of the Italian people has been in the highest tradition of Italian hospitality. For me, this delightful luncheon with so many friends symbolizes the depth of friendship between our two countries.

In this spirit, I lift my glass in toast to the United States and to Italy, to our continuing, growing friendship in the years ahead, to President Leone, to Prime Minister Moro, and to the great Italian people.

NOTE: The President spoke at approximately 3 p.m. in the Salone Delle Feste at the Palazzo Quirinale in response to a toast by President Leone, who hosted the luncheon.

President Leone spoke in Italian. His remarks were translated by an interpreter as follows:

Mr. President:

It is with great pleasure that I take this opportunity of again expressing to you, to Mrs. Ford, to the Secretary of State, Dr. Kissinger, as well as to the other eminent members of your party, the most cordial greetings of the Italian people, the Government, and myself, and to confirm to you my great and sincere satisfaction at having you as so welcome a guest in our country.

I should like to say first of all, how greatly we appreciate the fact that you have wanted to include this visit to Italy in the first trip that you are making to Europe, thereby giving us the opportunity of resuming the fruitful dialog so happily begun on the occasion of my visit to the United States in September of last year, a visit of which I harbor the most happy memories and whose positive results were expressed in the Joint Declaration of Washington. To this document we attach the value of a substantial step forward in Italo-American collaboration. And a similar importance attaches to the two meetings that we have had here in Rome with the Secretary of State.

During this morning's talks, we noted with great interest your impressions regarding the results of your intensive diplomatic activity of these last few days. These talks have brought to the attention of our Government and public opinion the significance and the importance of this first mission that you are undertaking to Europe in order to stress the solidarity between the United States and her European allies with a view to ever more promising developments of the process of détente among all nations and the consolidation of the cause of peace. We particularly appreciate the efforts you are making to find a peaceful and lasting solution of the Middle East crisis, a matter, as you well know, to which Italy is particularly sensitive.

The objective of peace that the United States pursues offers new perspectives, thanks to the recent

meetings of Salzburg and to the further diplomatic action that the United States intends to carry on. As always, Italy gives its full support to these efforts with the greatest commitment.

Italy continues to consider decisive the role that our friend, the American nation, can play in ensuring for the international community an orderly and peaceful future based on the respect of the principles of freedom, democracy, and progress that constitute the common heritage of our civilizations, the firmest of foundations for our understanding and our alliance. For our part, we should like to assure you that we shall make every effort to collaborate—in the spirit of friendship and cooperation that binds us to the United States and to our European allies—in creating, maintaining, and consolidating everywhere a climate of confidence and peace and in promoting a harmonious economic development to ensure the balanced progress of all peoples and nations. The grave problems of our times call for a full understanding and the active collaboration of all countries, the industrialized ones as well as the developing ones. Italy will make its convinced contribution to the farsighted action that the United States is undertaking to this end.

We have welcomed with profound satisfaction the accent that you placed at the recent Brussels meeting of the Atlantic Alliance on the fundamental value of the relations between America and Europe for the purpose of strengthening security and ensuring a more even development of the two sides of the Atlantic.

Italy, considering the Atlantic Alliance as an irreplaceable instrument of equilibrium and peace, has always held that a more concrete and effective European dimension would also give new vigor to the Alliance itself.

As you know, we in Italy feel a profound European vocation. This vocation is reinforced by our realization that a strong and united Europe will be an essential element in an increasingly close collaboration with the United States and the West in general for the solution of the great problems of peace, stability, and harmonious progress of the whole world that characterize our times.

Our meeting of this morning will give new im-

petus to the already fertile collaboration that has been instituted between the United States and Italy with a view to attaining the solutions that we all look forward to in a framework of continued and, indeed, strengthened solidarity among the peoples of the West. I am sure that a similar result will be obtained by the discussions that you and the Secretary of State will have this afternoon with our Prime Minister.

Mr. President, America is about to celebrate the second centenary of the Declaration of Independence, a document that embodies ideals and aspirations that originated, among others, also in my own country. In this connection, I need only recall that

the name of an Italian figures among the signatories of the Declaration and that Benjamin Franklin had frequent contacts with the more enlightened thinkers in Italy. And Italy, therefore, feels that it wants to participate wholeheartedly in this celebration.

In this spirit, then, I raise my glass to the good health and well-being of yourself, Mr. President, and Mrs. Ford, to the success of your lofty task at the head of the American nation, and to the live and deep-reaching friendship that binds Italy to the United States.

Following the luncheon, the President met with Italian Prime Minister Aldo Moro at the Villa Madama.

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Statement on the Death of Former Prime Minister Eisaku Sato of Japan. *June 3, 1975*

I WAS deeply saddened to learn of the death of Eisaku Sato. The passing of this great statesman, Nobel laureate, who did so much for his nation and for the cause of peace, is a loss to the world. His service as Prime Minister of Japan won the respect of all nations; his counsel was sought and valued. He was a close friend of the American people and devoted his life to strengthening the ties of understanding and friendship between the United States and Japan. I speak on behalf of all Americans in expressing our deepest sympathy to Mrs. Sato and the Japanese people.

NOTE: Eisaku Sato was Prime Minister of Japan from 1964 to 1972. The statement was released at Rome, Italy.

Ambassador at Large U. Alexis Johnson headed the U.S. delegation to the funeral of former Prime Minister Sato in Tokyo on June 16, 1975.

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Remarks on Greeting a Group of Americans in Rome. *June 3, 1975*

Mr. Ambassador, Archbishop and other Excellencies, ladies and gentlemen:

This is our last stop on a wonderful trip in Europe that has, I believe, brought good results in our long and hard work in the achievement of peace. But to leave Europe with this wonderful welcome from the young people, whether they are in grade school or in college or all others, this is a welcome that I will never forget and a goodbye that I will long remember.

I look out on the athletic field, and it brings back many wonderful memories. I wasn't good enough to play with all of you good, young athletes, but nevertheless, what you learn on that athletic field and what you learn in the fine school and what you learn from the leaders in your school and in your community will be invaluable to you as you mature, as you graduate and become active in vigorous parts of our society—whether in Europe or in the United States or elsewhere.

I thank you for being so many of you, for the warm welcome and the wonderful goodbye. And I thank all of you for what you are doing for our country, your country, and the world as a whole.

Thank you very, very much.

NOTE: The President spoke at 7:54 p.m. at the athletic field of the Oratorio di San Pietro, greeting American Embassy personnel and dependents, North American College faculty and students, and American clergy in Rome.

In his opening remarks, the President referred to

John A. Volpe, U.S. Ambassador to Italy, and Archbishop Emanuele Clarizio, president of the Oratorio di San Pietro.

The President had stopped at the Oratorio di San Pietro following a visit with Pope Paul VI in the Library of the Papal Apartments in Vatican City.

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Remarks on Departure From Italy.

June 3, 1975

President Leone, Mr. Prime Minister, Your Excellencies:

Upon our departure from Italy, Mrs. Ford and I wish to express our profound gratitude to President and Mrs. Leone, to Prime Minister and Mrs. Moro, and to the Italian Government and the Italian people for the wonderful reception accorded us on this occasion and this visit.

The warmth with which we have been received, the cordial and productive discussions that I have had with your highest leaders, and the friendship and good will expressed everywhere for the United States have made this a memorable experience for all of us.

For over a quarter of a century, Italy and the United States have had a remarkable identity of purpose in working as democracies with shared ideals toward the goals of an enduring peace and prosperity for our people.

We have worked together as allies in NATO to preserve peace and to insure stability in Europe and in the Mediterranean. We can take satisfaction in the successes we have achieved.

As a result of my many meetings here in Rome, I am confident that the United

States and Italy together, as partners in the Atlantic Alliance, will enjoy similar success in meeting the complex and difficult challenges before us.

In this way, we can contribute to the prospects of a peaceful and prosperous life for the people throughout the world.

On behalf of Mrs. Ford and myself, you have our sincere thanks, our deepest appreciation for the hospitality and the many kindnesses extended to us at all levels during every moment of our stay.

As we prepare to leave this beautiful country, I am reminded of the saying that fond memories spare departures for final sorrow. Thus, we cannot leave Italy in sorrow, for we carry far too many warm memories of a very special day with gracious friends.

I thank you.

NOTE: The President spoke at 8:23 p.m. at Leonardo da Vinci Airport, Fiumicino, Italy.

President Leone spoke in Italian. His remarks were translated by an interpreter as follows:

Mr. President:

Upon your departure, I should like once again to say to you and Mrs. Ford how pleased we are to have had this opportunity of meeting you again.

The intensive and fruitful talks that I, Prime Minister Moro, Foreign Minister Rumor, and other members of the Italian Government have had with you and Dr. Kissinger have once again concerned the friendly, constructive, and firm spirit with which our two countries are facing the problems which concern them both on the bilateral and the general plane.

Your trip to Europe, in which you so opportunely included this short visit to Rome, has been of great

importance. The Brussels summit in particular has shown the vitality of the Alliance. It is a guarantee of our collective security and also an essential condition for détente and peace.

Our talks today have concerned the existence of a full agreement of views on this essential point and a common wish to seek the solution of problems relating to peace and to political and economic stability in Europe and in the Mediterranean, in particular in the Middle East area, as well as those problems of a global dimension which are characteristic of our times.

Thank you for the kind words you have just said and for the lofty things you said about my country. In thanking you again for the good will that you have displayed to us, I wish you every success in our ongoing cooperation and in your enlightened work at the head of the American nation.

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Commencement Address at the United States Military Academy. *June 4, 1975*

General Berry, Senator Mathias, Congressmen Montgomery, Fish, and Gilman, Secretary of the Army Callaway, members of the graduating class, honored guests, ladies and gentlemen:

On March 26 of this year, at the White House ceremony, I had the very great honor to present the American Cancer Society's award to one of the outstanding members of this graduating class, the captain of the Army's football team, Cadet Robert E. Johnson. I, obviously, don't have to tell you how richly deserving of this award Bob Johnson is.

As the ceremony ended, Bob urged me to visit the Military Academy at West Point, and quite frankly, I didn't need much urging. It is certain, I am sure, in your minds that I am delighted to be here with you this morning. But let me transform that delight into a more practical form of expression.

It has become a time-honored tradition at the Academy that a visiting head of state is entitled to grant remissions of certain punishments. [*Laughter*] I don't know who started this tradition, but as General Douglas MacArthur once said, "The long gray line has never failed us." And today I am not going to fail the long gray line.

So, with the powers vested in me as Commander in Chief of the Armed Forces, I hereby order the remission of all ordinary punishments immediately and without delay.

I thought you might be interested in something else that happened after the White House ceremony that I previously mentioned. When it was over, Bob Johnson and Homer Smith—Army's distinguished head football coach—had lunch at the White House with a few of the other participants in the ceremony.

Homer Smith found himself sitting beside someone who he later described as "this nice looking girl," but he didn't know her name. So, Homer leaned over and asked her. She said, "Raquel." He said, "Raquel? What is your last name?" She said, "Welch." [*Laughter*]

Now, if you are wondering how anyone could describe Raquel Welch as just a nice looking girl, I think you have to understand the very special philosophy of football coaches. [*Laughter*] I know, because a long time ago I was one myself. To a football coach, real beauty is anyone who is 6 feet 5, weighs 260 pounds, and has no front teeth. [*Laughter*]

Homer, I hope you found a lot of them for this fall. I wish you and the Army one of your very best seasons, and that comes from a former Navy man.

I am deeply honored to be here. The traditions of West Point run throughout our history. The long gray line has extended from here to the ends of the world. And now you accept that inheritance, carrying with you not only the traditions of West Point but the hopes of your countrymen.

For two centuries, the United States Army has stood for freedom. Since this Academy's founding in 1802, West Point has provided leaders for that Army. The purpose of the Army and West Point today are one and the same as they were at their historic foundings: to be ready at the Nation's call to carry out with dedication and with honor the duty of defending the liberty of our land and our people.

The battle of freedom will take many forms in the years ahead. The will of

America will always be tested. It is our job, yours and mine, to be prepared for those tests.

In recent weeks, I have become cognizant—I have come to realize as never before how closely the free world watches the United States of America. Nations observe our example and our leadership in meeting the tremendous challenges of maintaining the peace and the momentum of economic progress.

At the same time, I have seen how much depends upon the skill and superior professionalism of those who serve the United States, either in uniform or as civilian representatives of our country. The tremendous productivity of America's farms and factories, the sophistication of our technology, and the durability of our political institutions all arouse the envy and the admiration of friend and foe abroad.

But our one really essential resource is our people—our dedication to our national purpose.

You may have read or heard that our allies and other overseas friends have questioned the continuing resolve and unity of our Government as well as our people, and that I went to Europe to give them reassurance. Fortunately, I did not find that degree of doubt among the leaders with whom I met requiring such extensive reassurance, nor would mere words be enough to convince these very practical political leaders. What *has* impressed them and what *will* impress them are demonstrations of the essential unity of America in the pursuit of our national goals, both at home and abroad.

One such practical demonstration will be the fate of the 1976 defense budget which I proposed to the Congress in January. Because the United States today is at peace, there are some who want to cut back on defense spending and put these dollars into their own pet domestic programs.

The hard fact is that we have consistently done this in recent years, while our potential adversaries have consistently increased their military budgets. In real terms, our defense spending has dropped to its lowest level since before the Korean conflict.

It is my firm conviction that we cannot afford further erosion in our bedrock defense budget, and I, for one, will fight hard to prevent it.

I believe that the American people want a defense posture that is second to none, one that will maintain our qualitative superiority now as well as in the future, one that will be sufficient to ensure peace through the mutually honored commitments we have with reliable allies and through the dedication of highly motivated and professional military establishments, which you are about to enter as officers in the United States Army.

I think it is instructive to recall that this Academy was founded during the Jeffersonian administration. Thomas Jefferson was consistently suspicious of large standing armies and an ardent supporter in his insistence on civilian authority over the military. Nevertheless, Thomas Jefferson was a champion of quality and educational excellence. President Jefferson knew that freedom's defense could not be entrusted to amateurs in a world of expansionist powers and opportunistic pirates. Whatever price our poor and youthful Republic had to pay for its full independence and the protection of its lawful interest, Jefferson and the Congress of his day—and, I might add, the people—were willing to pay.

I believe that the Americans of 1975 are just as willing to pay that same price. That is why I continue to press for a comprehensive 10-year program to develop enough domestic energy to make the United States fully independent of foreign oil and externally fixed prices that threaten both our economic health and our national security. This could be another convincing demonstration to our allies and to our adversaries that Americans have lost neither their nerve nor their national will.

All of the encouraging declarations of commitments to mutual defense and mutual progress which I heard at the NATO summit conference in Brussels last week will be meaningless unless the industrial democracies have assured themselves of sources of energy to power both their economic and their military efforts. Once again, the United States is looked to for leadership and for example.

Of course, energy independence is going to cost us something. Of course, an adequate level of defense is going to cost us something. But the price of sacrifice is far less than the price of failure. Freedom is never free, but without freedom, nothing else has value.

No previous graduating class in the history of West Point will be called upon to fill so many different roles and to perform so many exacting missions as the class of 1975. Like those who preceded you, you must know military strategy, tactics, and logistics. You must master the increasingly complex machinery of warfare. You must learn the lessons of leadership.

But today, as never before, you will need a sense of history, a grasp of economic principles, an appreciation of science, a mastery of geopolitics and diplomatic conventions. The Commander in Chief can state a policy and issue an order, but only disciplined and dedicated subordinates can successfully carry it out.

Each of you must understand that in the complexities of today's world, we must, of necessity, pursue complex policies. We must be, at the same time, both strong and conciliatory. While we must at all times maintain a defense

second to none, we must also pursue better relations with our adversaries. Détente, to be effective, must be a two-way street, producing benefits for each side based on genuine efforts of both sides.

To combine the qualities of good citizens and good soldiers, the ability to lead and the ability to obey leadership, to use your intellectual powers and the judgment to the fullest within the stern demands of discipline and duty—these are the personal challenges worthy of the highest callings to which man aspires.

I know that each of you will meet them, as have all the West Pointers who pledge themselves to duty, honor, and to country.

As a young Congressman, I was one who urged your greatest graduate to return from Europe and campaign for election as President of the United States. I remember listening to General Eisenhower speak of the importance of those three words in his own distinguished career. He kept them in the forefront of his thoughts during his years as President. It was his devotion to duty, honor, and country that brought peace to the world, respect to America, and progress for all our people during his 8 years in the White House.

I thought of President Eisenhower often during my recent visit to Europe, how he led millions of Americans and Allied forces to liberate Western Europe; how he returned in uniform to organize and command the first NATO defenses while Europe rebuilt itself; and how he searched diligently for peaceful and positive relations with the Soviet Union and Eastern Europe throughout his Presidency. To all of these great responsibilities, he brought the qualities of leadership and dedication—leadership and dedication to duty for which you have been trained for the past 4 years.

Not all of us will be called upon to make the great decisions that President Eisenhower had to make, but each of us will be called upon to make decisions upon which the welfare of our country may depend. I congratulate you as you accept that challenge and that opportunity for service to the Army and to America.

Your career will exact high dues: periodic danger, separation from loved ones, moves so frequent you may have trouble putting down your roots anywhere. But it will also offer unique opportunities.

It is unlikely that any of your civilian contemporaries of the class of 1975 will so soon face the challenges which some of you may face within a few weeks. You will be charged with the upkeep and operation of technology more expensive and more complex than some Americans will ever handle in their lifetime. More important, you will be responsible for the well-being of other

Americans, sometimes in situations where your decisions mean the difference between life and death.

Your apprenticeship, with its basic education, is ending, but you may be expected to use its lessons at any time. It is an enormous human test, but testing makes men as well as nations stronger and far more confident.

Having met the test of World War II, Dwight David Eisenhower said in 1946, and I quote, "We must not look upon strength as a sin. We must look upon it as a necessity—but only one of the contributions we are making to the development of a peaceful world."

As some of you may know, last night, or early this morning, I returned from a trip to Europe to strengthen the peace. It was most encouraging at the summit meeting of the North Atlantic Treaty nations to find a new sense of unity, a new sense of confidence in the United States. It was most inspiring to receive from His Holiness Pope Paul VI the admonition that right and justice must guide all our efforts.

I am convinced that our major alliances are strong and firm. I am convinced that our allies' confidence in us is not misplaced. I am confident that our cause is just and right.

In Salzburg, I met with Egypt's President Sadat to continue our exploration of new steps towards peace in the Middle East. That, of course, is the most serious international issue of our time. The United States is in a unique position to help promote a peaceful solution, and I assure you we will make a major effort in that regard.

The American commitment to freedom since World War II—the sweep of a generation—has been so vast and so enduring that it serves no purpose for me to recount it here. But it does serve a purpose to remind ourselves, our friends, and our potential adversaries that Americans are still prepared to pay the price of freedom, that we will honor our commitments, that we will do our duty.

That is why I am here today at West Point. You have beautiful buildings, tremendous individuals, cadets, professors, others. West Point has unbelievably great traditions, and West Point, on the record, has superb traditions for which we are all proud. That is why all of us are here today in the process of paying tribute to all of this class.

But as we pay that tribute, let us renew together our Founding Fathers' pledge to our country of our lives, our fortunes, and our sacred honor. And let us always remember that freedom is never free.

Thank you very much.

NOTE: The President spoke at 10:03 a.m. at Michie Stadium. In his opening remarks, he referred to Lt. Gen. Sidney Berry, USA, Superintendent of the United States Military Academy.

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Remarks at Graduation Ceremonies at Holton-Arms School, Bethesda, Maryland. June 5, 1975

Mr. Hamilton, Headmaster Lewis, Bishop Walker, members of the graduating class, trustees and faculty, fellow parents, students, and guests:

Obviously, it is a very great pleasure to be here at Holton-Arms this morning, sometimes known as the “Topsider capital of the world.” [Laughter]

This is my second commencement exercise this week. Yesterday, I had the great privilege of speaking to the graduating class at West Point, in my dual capacity as President and Commander in Chief of the Armed Forces.

This morning, along with Betty and many, many others in this audience, I am here at Holton-Arms in an equally important role—that of a very proud parent. I may have slipped and tumbled coming down those steps at Salzburg last week, but today I can assure you I am walking on the clouds.

Let me apologize to the members of the graduating class for having to turn my back on both you and your very attractive commencement dresses. But I do have to admit I am a little surprised to see them. I was told by Susan that the commencement dresses you wore as juniors last year were such a big hit you were going to wear them again this year. [Laughter] I understand that dress was so popular that Headmaster Lewis was even given a tie that was made up from one. He wore it home, and the dog bit him. [Laughter]

You might also be interested to know that my daughter Susan gave me some very specific advice on this speech. She asked me not to talk too long, not to tell any jokes, not to talk about her, and not to talk about the way things were when I was your age. So, in conclusion—[laughter]—

Actually, at graduation it is hard not to reminisce just a bit, because ceremonies such as this mark the end of an important segment of our lives and the beginning of another.

As you leave a very secure life here at Holton-Arms, with established goals and patterns and friends of many, many years, most of what you learned will, hopefully, go with you. But you leave the familiar for the unknown, and little of what you will face in the future will be as predictable as the past.

As young women, you are coming of age in an exciting, wonderful time. You have options now open to you; until recently they were closed. Several of you will attend formerly all-male universities. Some will choose careers once reserved for men only. Others will pioneer in fields opened by our advancing technology. But all of you will have more freedom than ever to pursue new opportunities and new challenges.

From my experience with this class—at least with many members of it—that is the way you want it. You have been active in exploring the effect of these changes on your lives. You have been diligent in probing your potential not as women, but as capable, ambitious individuals.

Before America completes its Bicentennial celebration, I hope the equal rights amendment will be part of the United States Constitution. For ERA also stands for a new era for women in America, an era of equal rights and responsibilities and rewards. The rough but rewarding task of your generation, of each of you, will be to see that recent progress in equal opportunity becomes regular practice.

Today, as you leave this lovely campus, your dreams seem very personal and private and far removed from any problems or goals that we face as a nation. But the American dream is truly a giant patchwork of all of our individual aspirations and desires. This dream is held together by the simple hopes of a better life for each of us and for our daughters and for our sons. But it is never enough to hope. We must all participate if we are to make the United States the kind of a country we want it to be and ourselves the kind of individuals we would like to be.

There is much that we have done as a people, but much remains to do. There is much we have done and can do as individuals, and that is where each of you is so vitally important.

We have been to the Moon and reached for the stars; now we must use that technology to improve life on Earth. We need scientists and sociologists and technicians from this year's graduating class to help in that effort.

We have harnessed nuclear power for destruction; now we must expand its use for peace. We need physicists, doctors, and executives to help in this effort.

We have linked the world together by electronics; now we must communicate our common needs and common goals. We need teachers and journalists and information specialists to help in this area.

We have preserved a unique form of government for nearly 200 years; now we must keep it workable for future generations. We need lawyers and legislators and political scientists to help.

We have created a largely urban, industrialized society; now we must find

energy to keep it running. We need administrators and engineers and chemists to help.

Best of all, we live in a nation where our dreams are limited only by our imagination and our willingness to work. Now let us put that willingness and that imagination to work in solving the problems facing America and in creating a nation in which self-fulfillment is a way of life.

The fact that you have completed your years here at Holton-Arms and are graduating today says something about your personal willingness and your dedication and your motivation. Whatever form your participation in the future takes, I leave these thoughts with you: Always be open to new ideas and challenged by distant horizons; always consider achievement and excellence as ample rewards for whatever career you choose or role in life you select; always be receptive to love and capable of responding in kind; and always remember that you carry with you, wherever you go, the devotion of your family and the affection of your friends.

Our hearts and our hopes for the future go with you today. May God bless each of you.

Thank you very much.

NOTE: The President spoke at 10:08 a.m. on the grounds of the school. In his opening remarks, he referred to John L. Hamilton, chairman of the board

of trustees, and James W. Lewis, headmaster, Holton-Arms School; and Right Rev. John T. Walker, Suffragan Bishop of Washington, D.C.

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Statement on Signing the Securities Acts Amendments of 1975. *June 5, 1975*

THE AMERICAN economy has grown and prospered over the years through a system of free enterprise more vigorous and successful than any other economic system in the world. Capital investment has produced millions of jobs and thousands of business opportunities for Americans. The success of that investment system is convincingly demonstrated in every index of the magnitude and basic strength of our economy, and in comparison with the economies of other nations.

Today our economy is faced with serious challenges. An unprecedented supply of new capital will be required over the next few years to help restore and broaden a sound, expansionary capital base through business and Government investment. In order to insure that our capital markets continue to function fairly and efficiently to meet these challenges, it is vital that we constantly seek

ways to improve their operations. Among other things, we must be sure that laws and regulations written 30 or 40 years ago do not unfairly interfere with the need for changes in our modern-day markets. It is with this important goal in mind that I am very pleased to have signed into law the Securities Acts Amendments of 1975.

THE IMPORTANCE OF COMPETITION

This act will provide important new directives to the industry and its regulators to insure that competition is always a prime consideration in establishing or abolishing market rules. And it will continue to strengthen the rules calling for high standards of financial capability and ethical behavior on the part of those individuals and institutions which perform important market functions. (In this regard, I understand that the legislation contains an inadvertent technical error concerning the presence of a transfer agent as a jurisdictional basis for State or local taxation of securities transactions. I also understand that legislation to correct this error retroactively is being prepared and that such legislation will receive prompt consideration in Congress. When such corrective legislation is presented to me, I intend to sign it.)

The act seeks to insure that market participants function with the highest degree of efficiency and that the capital markets will themselves be orderly and accessible. The key to reaching this objective will be a new national market system for securities. The act charges the industry and the Securities and Exchange Commission to work cooperatively, but in the words of the House-Senate conferees, it is intended that "the national market system evolve through the interplay of competitive forces, as unnecessary regulatory restrictions are removed." No Government formula nor any industry system of exclusionary rules can match the incentives and rewards for innovation and improved efficiency which natural competition provides.

This legislation encourages greater use of available improvements in electronic and communications technology as the basis for a fully-integrated trading system. A system in which buyers and sellers are aware of the full range of securities prices will help insure that artificial restrictions on competition no longer distort the market's true expression of supply and demand. It will also help reduce the cost of transacting trades.

The act also directs members and supervisors of securities exchanges to examine rules which tend to limit the number and variety of participants eligible for membership. Open competition within exchanges is just as important as com-

petition among different markets. The right to enter these markets and provide a necessary public service should not be subject to arbitrary institutional rules which limit competition. It is my hope also that the SEC will, in the process of helping to shape the national market system, take steps to eliminate obsolete or overlapping regulations which unnecessarily constrain the market.

I also want to stress the importance of the SEC's decision to disallow all fixed rates of brokerage commission previously set by those firms and individuals which comprise the securities industry.

It is my strong belief that government has unwisely condoned a wide range of anticompetitive price regulation. My Administration will continue to press for legislative reforms to amend or abolish such practices. I commend the SEC for its efforts, and the industry for its cooperation, in reaching the important goal of freely competitive pricing for a full range of brokerage and other services. I am confident that, in the long run, this policy will produce a much healthier industry.

NEW PROTECTIONS FOR INVESTORS

Public confidence is a vital ingredient if our capital markets are to continue to attract a wide variety of investors. Though large institutions have become increasingly active as owners and traders of securities, individuals still represent the backbone of the American capital system. This act provides important new safeguards which will help insure public trust in the securities markets. Among these safeguards are new rules for brokers' financial strength and accountability. The act imposes new restrictions on "self-dealing" to eliminate a potential conflict of interest and deny institutions a special advantage over individual investors. The act further requires periodic disclosure by institutional investors of their holdings and transactions in securities.

CONCLUSION

My Administration is seeking major reforms in many Federal regulatory agencies to eliminate unnecessary restrictions and promote more efficient and competitive industries.

This legislation is the product of 10 years of intensive work by several administrations, the Congress, the Securities and Exchange Commission, and the many elements of the securities industry.

The product is a good one, and it represents the first of what I hope will be a long series of much-needed regulatory reforms.

NOTE: As enacted, the bill (S. 249), approved June 4, 1975, is Public Law 94-29 (89 Stat. 97).

309

Statement on Signing a Federal-Aid Highway Funds Bill.*June 5, 1975*

I HAVE signed into law H.R. 3786, a bill that will permit greater flexibility to the States in the use of Federal-aid highway funds and enable them to temporarily defer their matching share for certain projects.

The major benefit of this legislation is that it will permit States to temporarily reallocate Federal funds among the various categories of Federal-aid highway programs, except for the Interstate System. This change will permit the States to move forward with certain job-creating highway projects which they could otherwise not undertake at this time. This is also consistent with my view that the number of categories in the Federal highway program should be reduced.

Unfortunately, this legislation permits the States to defer until December 31, 1976, the payment of their matching requirement on projects for which Federal funds have been approved between February 12 and September 30, 1975.

Although I strongly oppose in principle deferring matching requirements by State and local governments, this one-time exception is made to enable the States to take advantage of the special jobs-producing highway funds which I released in February and of the additional funds made available by the Congress in April. Importantly, H.R. 3786 contains a tough provision which requires States to either pay up their deferred matching share by the end of 1976 or lose future Federal highway grants. For these reasons, I have signed this legislation to insure that all States will be able to take advantage of their fair share of these special highway funds and to proceed with projects which will stimulate employment in the construction industry.

NOTE: As enacted, H.R. 3786, approved June 4, 1975, is Public Law 94-30 (89 Stat. 171).

310

Statement on the Observance of World Environment Day.*June 5, 1975*

ON THIS day, the third anniversary of the opening of the United Nations Conference on the Human Environment, it is appropriate that we join our neighbors throughout the world to reflect upon efforts being made to improve the quality of our global environment.

Today, there is growing recognition of mankind's interdependence, of our relationship with nature's other handiworks, and of the danger to our planet which environmental degradation poses.

An active concern for the environment is the first essential step toward restoration and preservation of environmental quality. We in the United States, and the citizens of many other countries, have taken that first giant step, but we have far to go.

Through local, national, and international efforts, we have already begun to redeem the works of destruction which man has visited upon the Earth for generations.

We recognize that these efforts can succeed on a global scale only if every nation becomes involved. Since participating in the United Nations Conference on the Human Environment at Stockholm in 1972, the United States has joined in international efforts to implement the recommendations formulated by that Conference and adopted by the United Nations.

The United States has strongly supported the United Nations Environment Program. We have participated in the development of international conventions to protect the planet, its settlements, and its species. We have entered into bilateral environmental agreements with other countries.

As the United States approaches the beginning of its third century, our desire to maintain and enhance the quality of life in this country and throughout the world remains undiminished. This Nation is committed to striving for an environment that not only sustains life but also enriches the lives of people everywhere—harmonizing the works of man and nature. This commitment has recently been reinforced by my proclamation [4356], pursuant to a joint resolution of the Congress, designating March 21, 1975, as Earth Day and asking that special attention be given to educational efforts directed toward protecting and enhancing our life-giving environment.

In support of the action of the United Nations General Assembly, I am happy on this day, World Environment Day, to express the dedication and deep concern of Americans for the goal of achieving a better world environment.

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Memorandum Establishing the Textile Trade Policy Group.**June 6, 1975**

[Dated June 5, 1975. Released June 6, 1975]

Memorandum for: the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Special Representative for Trade Negotiations, the Director, Office of Management and Budget, the Chairman, Council of Economic Advisers, the Executive Director of the Council on International Economic Policy, the Assistant to the President for National Security Affairs, the Executive Director of the Domestic Council

This memorandum supersedes the memorandum of March 3, 1972 which established a Special Working Group for Textile Trade Policy within the Council on International Economic Policy. That Special Working Group is hereby terminated and a new working group is hereby established in lieu thereof. This new working group will be chaired by the Special Representative for Trade Negotiations and will, in addition, consist of Under Secretaries of State, the Treasury, Agriculture, Commerce and Labor and the Executive Director of the Council on International Economic Policy. The chairman and each member of the Group may designate a senior policy official from their respective agencies to serve as an alternate member of the Group.

The duties of this new working group, hereinafter referred to as the Textile Trade Policy Group, are as follows:

1. Advise generally with respect to policies affecting actions by the United States concerning international trade in textiles and textile products under Section 204 of the Agricultural Act of 1956, as amended, and other laws.
2. Establish procedures by which the Committee for the Implementation of Textile Agreements shall, under the policy guidance of the Textile Trade Policy Group, take actions with respect to the rights and obligations of the United States under Articles 3 and 8 of the Arrangement Regarding International Trade in Textiles, and with respect to any other matter affecting textile trade policy.
3. Develop policy proposals with respect to the negotiation of additional bilateral and multilateral textile trade agreements.
4. Authorize and provide for the negotiation of bilateral agreements regarding international trade in textiles which it determines to be appropriate with representatives of governments of foreign countries.

The Committee for the Implementation of Textile Agreements will submit to the Textile Trade Policy Group such reports and recommendations concerning textile trade policy and the implementation of textile trade agreements as the Textile Trade Policy Group may request.

The Committee for the Implementation of Textile Agreements, acting through its chairman, will continue to supervise the implementation of rights and obligations of the United States under textile trade agreements.

GERALD R. FORD

312

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation for United States Participation in the Financial Support Fund of the Organization for Economic Cooperation and Development. *June 6, 1975*

I AM today transmitting legislation to authorize participation by the United States in a new, \$25 billion Financial Support Fund. This Fund would be available for a period of two years to provide short- to medium-term financing to participating members of the Organization for Economic Cooperation and Development (OECD) which may be faced with extraordinary financing needs.

The proposal for a Financial Support Fund originated in suggestions put forward independently by the United States and the Secretary General of the OECD as part of a comprehensive response to the economic and financial problems posed by severe increases in oil prices. Establishment of the Support Fund has been agreed upon, subject to necessary legislative approval, by all members of the OECD except Turkey, which has not yet signed the Agreement. The Support Fund represents, in my view, a practical, cooperative and efficient means of dealing with serious economic and financial problems faced by the major oil importing nations.

A Special Report on the Fund, prepared by the National Advisory Council on International Monetary and Financial Policies, accompanies this legislation. I fully endorse the Council's strong recommendation for U.S. participation in the Fund, and I urge prompt Congressional action to authorize that participation.

The financial problems arising from the oil price increases are expected to be transitional, although the real costs imposed by those price increases will

remain. These financial problems do not reflect the inability of oil-importing nations as a group to obtain needed financing, because the investable surpluses of the oil-exporting nations are available to them in the aggregate. Rather, the problems arise from the possibility that despite satisfactory operation of the system as a whole, an individual nation will not be able to obtain, on reasonable terms, the external financing it needs to maintain appropriate levels of domestic economic activity. This inability might also lead to imposition of inappropriately restrictive policies on international trade and capital movements. If permitted to begin, recourse to such policies could spread quickly, severely disrupting the world economy and threatening the cooperation of oil-importing nations on energy matters and broader economic issues.

The private financial markets and other existing sources of financing are expected to continue to perform well, and it is our hope that these potential dangers will never materialize. However, this risk remains. It is common to all countries, and it must be faced. The Support Fund is designed to encourage cooperation among the major countries in energy and general economic policies, and to protect against this common risk by assuring fund participants that needed financing will be available on reasonable terms.

In essence, the Financial Support Fund represents an arrangement under which all participants agree to join in assisting one of their members if an extreme need develops. As such, the Financial Support Fund will serve as an insurance mechanism or financial "safety net," backstopping and thus strengthening other sources of financing. Its objective is to provide assurance that financing will be available in a situation of extraordinary need, rather than to supplant other financing channels or to provide financing on generous terms.

Participants must make the fullest appropriate use of other sources before turning to the Support Fund. Loans by the Support Fund will be made on market-related terms and will require specific policy conditions in the energy and general economic areas. Support Fund loans will thus contribute directly to cooperative energy policy and to correction of the borrower's external financial difficulties. A further provision, of major importance in such a mutual support arrangement, requires that all risk involved in loans by the Support Fund will be shared equitably by all participants on the basis of pre-determined quotas, as will all rights and obligations of members with respect to the Fund. The terms of the Financial Support Fund therefore assure it will not become a regular operating part of the world's financial machinery or be used as a foreign aid device.

The proposed United States quota in the Support Fund—which will deter-

mine U.S. borrowing rights, financial obligations, and voting power in the Fund—is 5,560 million Special Drawing Rights (SDR), or approximately \$6.9 billion. This quota represents 27.8 percent of total quotas in the Fund. The legislation I am proposing today will permit the United States to participate in the Fund up to its SDR quota, by authorizing the issuance of guarantees by the Secretary of the Treasury. It is intended that any United States contributions will be primarily, if not exclusively, in the form of guarantees to permit the Support Fund to borrow in world capital markets as necessary to meet its lending needs. Most other members also intend to use this guarantee technique. This approach removes the need for the \$7 billion in 1976 appropriations for the Support Fund, as proposed in the budget, and will also reduce outlays by \$1 billion.

Only if a borrower from the Support Fund failed to meet the payments on its obligations would the United States be required to transfer funds as a result of its guarantees. In that unlikely event, the resources of the Exchange Stabilization Fund (ESF) would be used to fulfill the requirements of immediate payment on the guarantees. Should it appear desirable, in light of economic and other conditions, for the United States to make direct loans to the Support Fund, these could also be provided from the ESF in accordance with existing statutory authority. This new legislation provides for appropriations to be used to replenish ESF resources to the extent the Stabilization Fund is used for these purposes. In no event will U.S. financial obligations to the Support Fund exceed the dollar value of its quota.

The Financial Support Fund Agreement was signed on April 9. OECD member countries are now seeking legislative and other authority needed to enable them to participate. While the problems the Support Fund is designed to deal with are temporary, the need for the Fund is nonetheless real and immediate. I urge the Congress to act promptly to enable the United States to join in this major instrument of international financial cooperation.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House

of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

313

**Message to the Congress Transmitting Annual Report on
Aeronautics and Space Activities. June 9, 1975**

To the Congress of the United States:

I am pleased to transmit this report on the activities and accomplishments of the United States in aeronautics and space in 1974. This is in accordance with Section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476).

During 1974, the Nation's activities in aeronautics and space continued to produce significant benefits, to experiment with and develop new applications, to increase scientific knowledge, and to advance technology. The report shows:

The use of communications satellites continued to expand as a principal method of international communications. The first domestic privately owned communications satellites opened a new dimension in our tele-communications systems. Satellites continued to play an essential role in national defense activities—in communications, navigation, and other fields. Demonstration programs tested the use of satellite systems to improve delivery of health and education services.

Experimental uses of Earth observation satellites were tested in crop surveys, pollution monitoring, land use planning, water resources management, and other fields. Weather satellites continued to be our chief source of both global and local weather data; a new geostationary satellite began continuous observation of weather affecting the Western hemisphere.

The Skylab manned space station mission was successfully completed; it demonstrated that human beings can survive and work well in space for months or more at a time and provided a store of new scientific and technical data on the Sun, Earth resources, medical effects of space flight, and other fields. Development of the Space Shuttle progressed on schedule, and within costs, toward the goal of a versatile reusable vehicle for routine and economical use of space at the end of the decade. Joint preparations and training with the Soviet Union proceeded for the 1975 Apollo-Soyuz manned docking experiment. Cooperative space activities with other nations continued on the basis of mutual benefits. Development by European nations at their expense of the Spacelab for use with the Space Shuttle got well underway.

Exploration of the planets continued with successful missions to Jupiter, Venus, and Mercury. The science of astronomy advanced with important new observations and discoveries using ground-based, high-altitude, and space telescopes.

In aeronautics, good progress was made in developing technology to reduce energy requirements, noise, and pollution of civil aircraft. Modernization of the air traffic control system continued with the introduction of semiautomated equipment for air route traffic control.

Milestones in military aircraft development included the roll-out of the B-1 bomber, delivery of the first operational F-15 fighter aircraft, deployment to the fleet of the A-6E all-weather attack aircraft, and the successful testing of the new CH-53E helicopter.

Transfer of aeronautical and space technology to other fields continued with many beneficial applications in energy, materials, transportation, medical care, and other areas.

I believe that all Americans, and people of all nations, can be gratified with the accomplishments and the continued progress toward achieving the objectives of the National Aeronautics and Space Act of 1958 that are comprehensively described in this report.

GERALD R. FORD

The White House,
June 9, 1975.

NOTE: The report is entitled "Aeronautics and Space Report of the President, 1974 Activities" (Government Printing Office, 141 pp.).

314

Remarks on Greeting the Capitol Page School Graduating Class. *June 9, 1975*

Thank you very much. Mr. Hoffman, members of the graduating class:

First, let me apologize for having to schedule this get-together today at 12:30. I was reliably informed that through the years each of us so looked forward to the opportunity to get together—the graduates and the President—that for old times sake you wanted this ceremony to begin at 6:10 in the morning.
[Laughter]

But let me, in all sincerity, congratulate you, perhaps even envy you, for the good fortune in attending, I think, one of the finest schools in this country. I

never attended classes there—I probably couldn't qualify—but I do know something about the quality of the teachers, the quality of the opportunity, and I am sure that you will benefit immeasurably from this experience—even though you don't have a football team. [*Laughter*]

While I was the minority leader in the House and for the short time that I was Vice President, I had the privilege of working with many of you. And it was a privilege that I enjoyed and a privilege that I appreciated, because I saw the quality of all of you and the work that you did, the effort that you made, and the results that you produced.

I know, as minority leader and as Vice President, you did a good job, and for that I thank you on behalf of all of us who served with you while you were in the Congress or in the Supreme Court. I know you have run a good many miles back and forth from the House office buildings to the House Chamber or from the Senate to the Senate office buildings.

On the other hand, I think the memories that you have of being associated with some fine, fine individuals in public life will compensate you for the many hours and the hard work and the difficulties that you experienced.

I am also certain of this: that having spent one or more years here as a page and going through the educational opportunities, you can go back to your respective homes or on to college or in society otherwise and have a far greater appreciation of how our system works, why it is the finest system in all of the world for the protection of individuals, the enlargement of benefits for all, and you can really be a person to sell America to Americans and to sell our Government to our people.

Unfortunately, far too few of our fellow citizens understand how the Government works, whether it is in the Supreme Court or in the Congress. You can do a superb job in making your fellow citizens understand the merits and the benefits and the pluses of America, so that all Americans can have the same zeal and zest that you have for our country.

You have had a unique educational opportunity, not only in school but in your exposure to how your Government actually operates. And with that unique opportunity, you can be leaders in your communities, in your professions, and in that way you can repay your sponsors for the opportunity to have participated in the Capitol Page School which, as I said at the outset, is an outstanding educational experience.

Good luck and God bless you.

NOTE: The President spoke at 12:45 p.m. in the Rose Garden at the White House. In his opening re-

marks, he referred to John C. Hoffman, principal of the Capitol Page School.

315

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation To Create an Office of Science and Technology Policy. *June 9, 1975*

I AM forwarding proposed legislation to create in the Executive Office of the President an Office of Science and Technology Policy headed by a Director who will also serve as my Science and Technology Adviser.

From my earliest days in public life, I have been impressed with the vital contributions of science and technology to the continued progress of this Nation. The expansion of knowledge through scientific research and the successful and creative employment of our scientific and technological capabilities are essential to the growth, stability and security of the Nation. Today, advancement in these fields is crucial, for example, to the achievement of our long-range energy independence.

The Director of the new Office will provide advice to me and my top assistants in policy areas where scientific or technological considerations are involved, thereby helping to assure that the Nation's scientific and technological capabilities are utilized effectively in achieving our Nation's goals. He will identify new opportunities for using science and technology to improve our understanding of national problems and to contribute to their solution. He will also chair the Federal Council on Science and Technology, and I expect him to provide advice on the scientific and technological considerations in Federal policies, programs and budgets.

The Director and the Deputy Director of the Office of Science and Technology Policy will be appointed by the President. The Office will draw extensively on the Nation's scientific and engineering community for advice and assistance. The Director and staff will also call upon Federal agencies for assistance in carrying out their responsibilities.

I believe that this new mechanism for providing the President and his senior advisers ready access to scientific and technological advice will improve our ability to find the best courses of action for achieving our national objectives.

I urge the Congress to give this proposed legislation its early and favorable consideration.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate. The text of the draft legislation was included as part of the release.

316

The President's News Conference of *June 9, 1975*

STATEMENT ANNOUNCING RELEASE OF REPORT OF THE COMMISSION ON CIA ACTIVITIES WITHIN THE UNITED STATES

THE PRESIDENT. [1.] Good evening. On Friday, the Commission on CIA Activities Within the United States presented its report to me. I read the report this past weekend, and I have decided it should be made available to the public. It will be released tomorrow.¹

I thank the Vice President and the other members of the Commission and the staff. It will be obvious to those who read the report that the Commission has done an extensive job of looking into the allegations that the CIA exceeded its authority by conducting domestic operations in violation of its statute. My reading of the report leads me to the conclusion that the panel has been fair, frank, and balanced.

I will ask the Attorney General to study all the materials gathered by the Commission on any matter to determine whether action should be undertaken against any individuals.

I am asking each of the Federal agencies and departments affected by the report to study its recommendations and report back to me with their comments.

In addition to investigating the original allegations of improper domestic activities by the CIA, the Commission, at my request, subsequently looked into allegations concerning possible domestic involvement in political assassination attempts. The Commission has reported that it did not complete every aspect of that investigation. The materials they have developed concerning these allegations have been turned over to me in classified form.

Because the investigation of political assassination allegations is incomplete and because the allegations involve extremely sensitive matters, I have decided that it is not in the national interest to make public materials relating to these allegations at this time. However, under procedures that will serve the national

¹ The report is entitled "Report to the President by the Commission on CIA Activities Within the United States—June 1975" (Government Printing Office, 299 pp.).

interest, I will make available to the Senate and House Select Committees these materials, together with other related materials in the executive branch.

I know that the Members of the Congress involved will exercise utmost prudence in the handling of such information.

As I have stated previously, I am totally opposed to political assassinations. This Administration has not and will not use such means as instruments of national policy. However, in fairness, none of us should jump to the conclusions as to events that may have occurred in the past 15 or 20 years.

After I have further studied the recommendations of the Commission, I will order or submit to the Congress the necessary measures to insure that the intelligence community functions in a way designed to protect the constitutional rights of all Americans.

It remains my deep personal conviction that the CIA and other units of the intelligence community are vital to the survival of this country. As we take the steps necessary to insure the proper functioning of the intelligence community, we must also be certain that the United States maintains the intelligence capability absolutely necessary for the full protection of our national interests.

Mr. Cormier [Frank Cormier, Associated Press].

QUESTIONS

CENTRAL INTELLIGENCE AGENCY

[2.] Q. Mr. President, will you turn over to the Justice Department the materials on the allegations of assassination plots as well as the other materials? And if so, would you expect them to conduct their own investigation then in that field to determine whether criminal prosecution might be in order?

THE PRESIDENT. Mr. Cormier, I will turn over the material that has been given to me by the Rockefeller Commission, and I will turn over to the Justice Department other material within the executive branch of the Federal Government so that the Department of Justice and the Attorney General will have full access to whatever we have for a determination by them as to any need to prosecute any individual.

Miss Thomas [Helen Thomas, United Press International].

VIETNAM CONFLICT

[3.] Q. Mr. President, at a recent news conference you said that you had learned the lessons of Vietnam. Since then, I have received a letter from Mrs. Catherine Litchfield of Dedham, Massachusetts. She lost a son in Vietnam, and

on her behalf and on behalf of many, many parents with her plight, I would like to ask you, what are those lessons you learned from the Vietnam experience?

THE PRESIDENT. I think, Miss Thomas, there are a number of lessons that we can learn from Vietnam. One, that we have to work with other governments that feel as we do—that freedom is vitally important. We cannot, however, fight their battles for them. Those countries who believe in freedom as we do must carry the burden. We can help them, not with U.S. military personnel but with arms and economic aid, so that they can protect their own national interest and protect the freedom of their citizens.

I think we also may have learned some lessons concerning how we would conduct a military operation. There was, of course, from the period of 1961 or 1962 through the end of our military involvement in Vietnam, a great deal of controversy whether the military operations in Vietnam were carried out in the proper way, some dispute between civilian and military leaders as to the proper prosecution of a military engagement. I think we can learn something from those differences, and if we ever become engaged in any military operation in the future—and I hope we don't—I trust we've learned something about how we should handle such an operation.

Q. Does that mean that you would not conduct a limited war again with a certain amount of restraint on the part of our bombers and so forth?

THE PRESIDENT. I wouldn't want to pass judgment at this time on any hypothetical situation. I simply am indicating that from that unfortunate experience in Vietnam, we ought to be able to be in a better position to judge how we should conduct ourselves in the future.

Yes, Mr. Kilpatrick [Carroll Kilpatrick, Washington Post].

CENTRAL INTELLIGENCE AGENCY

[4.] Q. What is the nature of the Federal law that may have been violated by the CIA? I can understand where a State law may have been violated, but is there a Federal statute you have in mind?

THE PRESIDENT. Involving the CIA? Well, in 1947, the Congress passed the basic charter of the Central Intelligence Agency, and the law passed by the Congress gives certain responsibilities to the CIA in the handling of intelligence overseas. It was understood, as I have read excerpts from the debate of 1947, that the Central Intelligence Agency should not be involved in any domestic activities.

Now, if individuals within the CIA violated that basic charter, it will be for the Attorney General to make a judgment as to whether there should be any

prosecution. In the broader sense, however, if it is determined that the Central Intelligence Agency, as an organization, has violated its charter, then, of course, corrective action will have to be taken. And without revealing what was in the report from the Rockefeller Commission, I believe there will be certain recommendations for some legislation and some administrative action that ought to be taken to make certain and positive that the Agency does its job and that the rights of Americans, domestically, are well protected.

Q. I was wondering why you had the Rockefeller Commission stop short in its work and not complete its investigation into alleged political assassinations. Why did you not reach a conclusion in that particular area?

THE PRESIDENT. Let me say at the outset, I did not tell the Rockefeller Commission that it should not proceed further. The Rockefeller Commission, on its own, decided that it wanted to conclude its operations on the basis of the original responsibilities given to it.

The Commission at the outset was told it should investigate allegations concerning domestic violations of its charter. Subsequent to that, there were questions—I should say—raised about political assassinations. I suggested that the Commission undertake an investigation of any domestic involvement in political assassinations.

The Commission, after the original 90 days it was given to complete its report, requested an extension for an additional time, and I gave them an additional 60 days.

Sometime in early May, the Commission decided that it wanted to conclude its original assignment, and they decided that they should make the report which will be released tomorrow to the public. And they have turned over to me the material they collected concerning any political assassinations.

Q. This was a Presidential commission, of course. Do you agree with their conclusion to stop without reaching a conclusion in this particular area?

THE PRESIDENT. I do for this reason: that the material they have collected, the interviews, the hearings, any other material that they are giving to me, I am turning over to the Attorney General along with other material that we are collecting within the executive branch of the Government so that the proper agency of the executive branch of the Federal Government will be in a position to analyze and to prosecute if there is any need to do so.

Q. Sir, if I may press you on that just a little bit. Why aren't they the proper agency to do that? They were assigned by you to look into the CIA and find out what was wrong. They obviously got into something very controversial and then all of a sudden they just stopped. Why didn't you tell them, "Go on,

fellows, and get to the bottom of this." Isn't that the way investigations are usually conducted?

THE PRESIDENT. I think you have to bear in mind the original assignment of the Rockefeller Commission, which was to investigate any alleged illegal activities domestically. The CIA has a charter only to conduct intelligence matters overseas, and the allegation was made by many that the CIA had involved itself into domestic intelligence matters.

I asked the Rockefeller Commission to undertake an investigation of the original charges, which was a very major responsibility. I think they decided that they should conclude their investigation of the basic charges and give to me for proper utilization by the Attorney General for any further investigation and prosecution. I think it's a responsible manner in which to handle this situation.

Q. But you don't think you are going to open yourself up to some kind of charge of coverup by doing it this way?

THE PRESIDENT. I am convinced that with the Attorney General, Mr. Ed Levi, we have a man who is going to carry out his sworn obligation to conduct an investigation on the broadest basis and to prosecute if there is any problem. I have full faith in the Attorney General, and I should add that the Senate and House committees are also in the process of making further investigations as they have been charged with the responsibility by the Congress, so there's not going to be any possibility of any coverup, because we are giving them the material that the Rockefeller Commission developed in their hearings, plus any other material that is available in the executive branch.

Q. Mr. President, do you foresee any time in the future when that material from the Rockefeller Commission that relates to assassination plots and other White House material that you say you'll now turn over to Congressional committees—do you foresee any time when it might be in the public interest to have that released?

THE PRESIDENT. I think there may be, and if you noticed in my opening statement I said at this time that I wouldn't want to prejudge that at the moment.

Q. Mr. President, what part was played, in your thinking, by concern about the memories of President Eisenhower and President Kennedy and the fear that not fully substantiated allegations coming out, especially about the late President Kennedy at this time, would lay you open to the charge of trying to interfere with a candidacy of Senator Kennedy?

THE PRESIDENT. I was personally very cognizant of anything that I divulged, passing judgment in hindsight as to decisions made in the last 15 or 20 years. I

have read the summary from the Rockefeller Commission concerning political assassinations. I have read other material collected by the executive branch of the Government, going back to late 1959 and running up through 1967 or '68. I have read that myself, and under no circumstances do I want to sit in 1975 passing judgment on decisions made by honorable people under unusual circumstances. I think historians will make those judgments better than anybody in 1975, including myself. So it is my feeling that I, the Members of Congress, and others ought to reserve judgment. And that's why I caution the House and Senate committees to use utmost prudence in how they handle the material I'm giving them.

Q. When you say, sir, that you don't want to sit in judgment on decisions made by others some 15 years ago, are you suggesting that there were decisions made by the Presidents in that time?

THE PRESIDENT. No, quite the contrary. I am not passing judgment on whether they were right or wrong. I simply am saying that for us, 15 to 20 years later, to put ourselves in the position of people who had the responsibility in the highest echelons of our Government—we shouldn't be Monday morning quarterbacks, if I could invent a cliché. I think it's better to let history tell the story rather than contemporaries.

Q. Mr. President, in the view of what some people have called the post-Watergate morality, do you believe that the CIA's credibility can be restored until and unless the story of the allegations of political assassination are disclosed fully to the public?

THE PRESIDENT. Of course I do. I believe that the credibility of the CIA can be and will be restored by the report of the Rockefeller Commission and the recommendations of the several Congressional committees.

I believe that there can be internal improvement in the CIA. I think there can be legislative recommendations that I hope the Congress will enact, and the net result will be that we will have a strong, effective, and proper Central Intelligence Agency.

I have complete faith that we can do the job, that we will do it, and that we will have a CIA that will do the job for us.

EUROPE

[5.] Q. I wonder if I can change the subject to Europe and the future. There are reports in Europe, sir, that both the United States and the Soviet Union seem to be less and less interested in the security conference that is due up this year. Could you tell me something about the future timetable, when that might

come up, how SALT is doing, when you might be seeing Mr. Brezhnev, and so forth? There seems to be some slippage in this.

THE PRESIDENT. While I was in Europe, I discussed with many European leaders the status of the European Security Conference, their views. It appears that there are some compromises being made on both sides between the Warsaw Pact nations and European nations, including ourselves, that will potentially bring the European Security Conference to a conclusion. Those final compromises have not been made, but it's getting closer and closer.

I hope that there will be sufficient understanding on both sides to bring about an ending to this long, long negotiation. If it does, in the near future we probably would have a summit in Helsinki.

The negotiations on SALT II are progressing, I think, constructively. The technicians are now working on the problems of verification and other matters that are very important, but can be better outlined and put together by the technicians.

I'm optimistic that we can have a SALT II agreement, but I can assure you, as I have others, that we are going to make sure, make certain that our national security interest is very, very adequately protected, and I think it can be, as I look at the overall picture.

Q. To follow up, sir, when do you think Mr. Brezhnev might be coming here? Would you give a ballpark guess on that?

THE PRESIDENT. I would hope, if negotiations go the way they are, sometime in the fall of 1975.

THE NATION'S ECONOMY

[6.] Q. Mr. President, in turning to the economy, the unemployment figures for the month of May were at a 34-year high—9.2 percent. What is your assessment of where the economy will stand at the end of this year, and pick some random date in the future—let's say October or November of the election year—as to where it will stand then?

THE PRESIDENT. I am optimistic that the economy has bottomed out. We've had a lot more good news than we've had bad news. The bad news, of course, was the increase in the unemployment to 9.2 percent, but I hastily add that for the second month in a row, we've had an increase in actual employment. As a matter of fact, over the last 2 months, we've had about a 450,000 increase in people employed in the domestic economy. In addition, we're continuing our headway in the battle against inflation. We've cut the rate of inflation by about 50 percent in the last 6 months.

The civilian economy showed some other encouraging factors. The Department of Commerce, last week, released a report that showed that the 12 economic indicators were up 4.2 percent, one of the largest, if not the largest increase in the last several years. New orders, housing permits are up.

We've got, I think, an accumulation of encouraging signs, and I believe that toward the end of the year it will look better. And I happen to believe, in 1976 the economy will look even better, and we're going to work at it.

Q. Would you care to give out a figure, sir?

THE PRESIDENT. No.

REPUBLIC OF KOREA

[7.] Q. Mr. President, to follow on Helen's question, sir, do you believe that the language of our mutual defense treaty with South Korea requires the presence of American troops there, or can the United States fulfill its commitment short of that?

THE PRESIDENT. I believe it is highly desirable under our mutual defense treaty with South Korea to maintain a U.S. military contingent in South Korea. We have now roughly 38,000 U.S. military personnel in South Korea. I think it's keeping the peace in Korea, and I think it's important for the maintenance of peace in the Korean peninsula that that force stay in South Korea.

Q. Are you thinking of keeping them there indefinitely, or do you hope to review that question next year?

THE PRESIDENT. It's constantly under review.

CENTRAL INTELLIGENCE AGENCY

[8.] Q. Mr. President, to get back to the CIA, some senior assistants of yours have blamed Vice President Rockefeller for having suggested the public report on the CIA would contain assassination findings and for announcing plans to issue the Commission report before checking with you. Has this caused you any embarrassment, or anyone in the White House?

THE PRESIDENT. It hasn't embarrassed me. I have, of course, been in constant contact with the Vice President. I understood that the Commission was going to make the decision that it would not get any further into the political assassination area, that they wanted to conclude their Commission investigation and file its report. The Vice President and I understand each other perfectly.

THE MIDDLE EAST

[9.] Q. The Prime Minister of Israel is coming on Wednesday, I believe, and you met with Egyptian President Sadat a week ago. As you go into this next

phase of consultations, are you any more prepared to give Israel stronger guarantees?

THE PRESIDENT. Well, my meeting with Prime Minister Rabin of Israel, which is to be held on Wednesday and Thursday of this week, will be a meeting where I will get his personal assessment of the overall situation in the Middle East.

We will discuss the options that I see as possible: either a resumption of the suspended step-by-step negotiations or a comprehensive recommendation that I would make to probably reconvene the Geneva conference or a step-by-step process under the umbrella of the Geneva conference.

I'm going to go into these alternatives or these options in depth with Prime Minister Rabin, and when we have concluded our discussions, I'll be in a better position to know how our Government should proceed in trying to achieve a broader peace, a more permanent peace, with fairness and equity in the Middle East.

Mr. DeFrank [Tom DeFrank, Newsweek].

CANDIDACY IN 1976

[10.] Q. Thank you, Mr. President. You keep saying that you're going to announce your candidacy for election in 1976 at the appropriate time, but nothing happens. Are we getting any closer to that appropriate time, and if so, can you tell us about that?

THE PRESIDENT. You're getting closer and closer, but I have not picked a specific time for that announcement. There is no doubt of my intention. I reiterate it again tonight, but all I can say is we're getting closer and closer to a specific announcement. [*Laughter*]

Mr. Barnes [Fred Barnes, Washington Star].

THE MIDDLE EAST

[11.] Q. Mr. President, when you were in Salzburg, you appeared to be especially friendly with Egyptian President Sadat. Was this public display of friendliness with him designed in any way to pressure Israel to make new concessions toward a Middle East settlement?

THE PRESIDENT. I did enjoy my opportunity to get acquainted with President Sadat, and I not only enjoyed his company but I benefited from his analysis of the Middle East and related matters. But I have the same relationship with Prime Minister Rabin. I have known him longer, and this will be the second or third opportunity that I've had a chance to meet with him, plus my opportunities when he was the Israeli Ambassador here.

I think I can be benefited immeasurably by meeting face-to-face with people like Prime Minister Rabin and President Sadat. This judgment by our Government in this area is a major decision, and we have to get the broadest possible information to make the best judgment. And in both instances, as well as others, I am glad to have the help and assistance of those who come from that area of the world.

THE CONGRESS

[12.] Q. Mr. President, some of your critics in Congress argue that your veto of legislation, such as the public service jobs bill, amounts to a minority rule. Is it your judgment that the next year, year and a half will be a series of veto confrontations and stalemate?

THE PRESIDENT. There is no need for it if the Congress acts responsibly in the handling of the Federal fiscal affairs. I would hope that the veto that was sustained last week will put the proper environment on Capitol Hill for a responsible fiscal policy by the Congress.

If the Congress ignores the desire on the part of the President and more than a third of the House to be responsible fiscally, then of course, we will have more vetoes.

I would hope that there might be a lesson learned, and that we will have responsibility rather than irresponsibility by the Congress.

REPORTER. Thank you, Mr. President.

NOTE: President Ford's fifteenth news conference began at 7:30 p.m. in the Rose Garden at the White House. It was broadcast live on radio and television.

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Message to the Congress Transmitting Annual Plan for United States Participation in the World Weather Program. *June 10, 1975*

To the Congress of the United States:

People everywhere recognize that weather influences day-to-day activities. People are also mindful that weather, sometimes violent, breeds storms that take lives and destroy property. Coupled with these traditional concerns, there is now a new awareness of the cumulative effects of weather. The impact of climate and climatic fluctuations upon global energy, food and water resources poses a potential threat to the quality of life everywhere.

The World Weather Program helps man cope with his atmosphere. We must continue to rely upon and to strengthen this vital international program as these atmospheric challenges—both old and new—confront us in the future.

I am pleased to report significant progress in furthering the goals of the World Weather Program. This past year has recorded these accomplishments:

—The United States began near-continuous viewing of weather and storms over most of North and South America and adjacent waters through the use of two geostationary satellites.

—The U.S.S.R., Japan, and the European Space Research Organization have taken steps to join with the United States in extending this weather watch to include five geostationary satellites around the globe.

—Computer power devoted to operational weather services and to atmospheric research has been increased appreciably. This leads to immediate gains in weather prediction and to long-term gains in extending the time, range and scope of weather predictions and in assessing the consequences of climatic fluctuations upon man and of man's activities upon climate.

—During the summer of 1974, an unprecedented event in international science occurred with the successful conduct of an experiment in the tropical Atlantic. More than one-third of the earth's tropical belt was placed under intensive observation by 69 nations using a network of hundreds of land stations, 39 research ships, 13 specially instrumented aircraft and 7 meteorological satellites. The results of this experiment are expected to permit a sound understanding of the role of the tropics as the heat source for the global atmosphere and to provide new insight into the origin of tropical storms and hurricanes.

Senate Concurrent Resolution 67 of the 90th Congress declared the intention of the United States to participate fully in the World Weather Program. It is in accordance with this Resolution that I transmit this annual report describing current and planned Federal activities that contribute, in part, to this international program from which all nations benefit.

GERALD R. FORD

The White House,
June 10, 1975.

NOTE: The report is entitled "World Weather Program, Plan for Fiscal Year 1976" (Government Printing Office, 54 pp.).

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Remarks at a Briefing for Members of the National Industrial Council. June 10, 1975

LET ME thank you all for coming, and let me most warmly welcome you to the White House.

I do like to meet with groups such as this, make a few comments, and then chat with you informally. So, when we are through, I would like to invite you all into the State Dining Room for a little reception and maybe some refreshments.

It is nice to meet with the National Industrial conference. I come from a family that wasn't a very big industrial organization, but it was an organization that participated in our industrial society. My father started a small paint factory back in 1929. [*Laughter*] He was lucky to survive, but he did because he seemed to have that knack of working hard and convincing people that he had a good product. And he apparently was a sufficiently good salesman to make enough to keep the business going, and it never got very big, but it was a big part of the Ford family background.

I used to go over there and clean cans and fill cans and get pretty dirty during the process, but I learned a few things that did pay off later as a part of my education in growing up. But at least that was my first exposure to our industrial society, and it was significant to me. And it was a darn good education, as far as I am concerned.

What I would like to say this afternoon involves the three major issues that I think are on the country's agenda in 1975. Those three are in the domestic area: energy, the economy, and the budget.

Jim Lynn probably just filled you in on the details of the budget, but let me add one or two observations, if I might. I never anticipated I would ever be in a position of endorsing a deficit of some \$60 billion. It was totally contrary to my philosophy of fiscal or financial affairs as far as the Federal Government was concerned.

But when we took a look at all the facts and the figures, the existing laws, the status of the economy, we came to the conclusion that there was no alternative for the submission of the budget in January of this year with anything other than a deficit of \$52 billion, which has subsequently expanded to a figure of approximately \$60 billion. We are going to hold the line. And as of today, I

think we are—according to the latest figures, \$59.9 billion. It is pretty close, but we have drawn the line.

We have held the line as far as the Congress is concerned, despite some of their tremendous efforts to go above it. I hope that the veto that was sustained last week will help to create an environment in a fiscal sense that will keep us within the \$60 billion deficit figure. The vote last week was very close. I think we prevailed with a margin of some five votes. That's not very many when you're talking about the vote of 400-plus.

But I think the American people are beginning to realize that anything above a \$60 billion deficit is a real danger area. And when we look at some of the proposals that are coming from subcommittees and full committees in both the House and the Senate, unless we stop them, we are going to have a \$100 billion deficit, and that, of course, is an area which is really treacherous.

So, I just hope and trust that as we struggle in trying to have a responsible and a reasonable restraint on Federal spending, we can get some help and assistance from all of you.

Now, let me turn to energy. It is becoming more and more obvious that we have to stimulate new sources of energy and we have to conserve the energy that we have.

I presented a very comprehensive program to the Congress in January. It is still the only energy program in town. [*Laughter*] We started out with figuratively 535 energy programs up on Capitol Hill. It has now been winnowed down to roughly 5, 6, maybe 10. We are going to keep the pressure on, because this country cannot stand increasing vulnerability to foreign sources of oil.

Now, we had a very close vote up there today.¹ [*Laughter*] We thought we would do better. But other pressures that wanted to curtail coal production and make us more and more vulnerable to foreign sources of oil really put the pressure on. We persuaded enough people to stand fast under this kind of pressure.

Now we do have to find an answer to the energy program. We are going to submit a recommendation for decontrol of old oil, which I think will be a reasonable and a responsible proposal. If we don't raise the price of old oil and stimulate additional production in this country, every day the clock ticks America becomes more and more vulnerable.

Now, we don't anticipate—and we certainly want to preclude—any developments in the Middle East that would end up with another oil embargo. But if you look at the statistics that come to my desk and maybe to yours, we are much

¹ The President was referring to the House vote sustaining his veto of a surface mining control and reclamation bill (H.R. 25).

more vulnerable right today if an international cartel should impose another oil embargo than we were in October, November, and December of 1973. We are much more vulnerable. And it would have not only serious implications to the strength of the country but it would have a terribly bad effect on our capability to come out of the current recession and move into a more prosperous economy in the months ahead.

I just hope that you can help persuade Members of Congress that if they can't buy the good program that we submitted, they ought to at least come up with a program of their own. And as of today, there has been nothing but backward movement rather than forward movement.

Now let's talk about the economy. I think that the statistics today are encouraging. I don't mean to imply that every report that I get is the kind I want to see, but when you look at the problems we have had for the last 5 months and see where we are today and look at the forecast for the months ahead, we have made a lot of headway.

In the last 5 months, we have done very well in cutting back the inflationary problems that we have today—or over the last 5 months, the rate of inflation has been about 5.6, 5.7, which is roughly half of what it was in the last few months of 1974.

Unemployment is too high. We had 5 months in a row where we lost approximately 400,000 employees gainfully employed in our civilian economy. It was a precipitous slide, but the last 2 months—even though unemployment rates have increased—we have started the climb up again with a total number of people gainfully employed. In the last 2 months, we have added approximately 400–450,000 to those gainfully employed.

It is the consensus that we are on our way out, just beginning to get out of this recession. But if you look at the consumer confidence figures, if you look at the wide range of other economic indicators including those that came out of the Department of Commerce last week, there is good reason for us to believe the strength of this economy is such that we are going to be looking at a much better picture in the third and fourth quarters of 1975 and increasingly better in 1976.

Now, this has been a hard, tough period, whether it is in the budget, whether it is energy, or whether it is in the economy. But wherever I go, I find the spirit of America good. Adversity seems to strengthen us, gives us the feeling that we will stand up to the pressures and meet the challenges, and this is the kind of spirit that I think is essential and necessary if our country is to continue to be the leader at home as well as abroad.

We have got a great system. We have got wonderful people. We have an industrial capacity that is not matched by any elsewhere in the world. And if we keep the faith, I am convinced that America can and will be the leader in the months and years ahead that we have been in the past.

Thank you very much.

NOTE: The President spoke at 5:10 p.m. in the East Room at the White House to members of the council attending a briefing by Administration officials.

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Message to the Senate Transmitting Protocols To Extend the International Wheat Agreement, 1971. June 11, 1975

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocols for the Further Extension of the Wheat Trade Convention and of the Food Aid Convention, which together constitute the International Wheat Agreement, 1971. These Protocols were formulated by a Conference of Governments which met in London on February 14, 1975, and were open for signature in Washington from March 25 through April 14.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Protocols.

The Protocol for the Further Extension of the Wheat Trade Convention, 1971, extends the Convention until June 30, 1976, and maintains the framework for international cooperation in wheat trade matters. It also continues the existence of the International Wheat Council.

The Protocol for the Further Extension of the Food Aid Convention, 1971, also extends until June 30, 1976, commitments of parties to provide minimum annual quantities of food aid to developing countries. It is the intention of the United States not to deposit ratification of this Protocol unless the European Economic Community becomes a party to the Protocol. The United States formally recorded this intention by written declaration when the Protocol was signed.

Both Protocols provide that instruments of ratification shall be deposited no later than June 18, 1975. The Wheat Council may, however, grant an extension of time to any signatory government that has not deposited an instrument of ratification by that date.

It is my hope that the Senate will give early and favorable consideration to the

two Protocols so that ratification by the United States can be effected and instruments of ratification can be deposited without undue delay.

GERALD R. FORD

The White House,
June 11, 1975.

NOTE: The protocols are printed in Treaties and Other International Acts Series (TIAS 8227).

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Message to the Senate Transmitting the United States-Brazil Agreement on Shrimp. *June 11, 1975*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Agreement between the Government of the United States of America and the Government of the Federative Republic of Brazil concerning Shrimp. Also enclosed are an Agreed Minute, a related exchange of notes concerning compensation, an exchange of notes concerning interim undertakings, and translations of the Brazilian notes. These documents were signed at Brasília on March 14, 1975.

The Agreement establishes a basis for regulating the conduct of shrimp fishing in a defined area off the coast of Brazil. Such regulation will help to conserve shrimp resources and will provide an interim solution to problems which have arisen over jurisdiction over those resources.

The measures prescribed in the Agreement will safeguard the economic interests of the shrimp industries of both countries and protect from prejudice their respective legal positions on the extent of coastal state jurisdiction over ocean fisheries under international law. The interim nature of the Agreement reflects the expectation that this underlying question may in the near future be settled by general international agreement on the law of the sea.

A more detailed explanation of the Agreement is contained in the report of the Department of State which also accompanies this message.

This Agreement will contribute to maintaining and strengthening the friendship and cooperation which have long characterized relations between the United States and Brazil. I recommend that the Senate give it early and favorable consideration.

GERALD R. FORD

The White House,
June 11, 1975.

NOTE: The agreement and accompanying papers are printed in Senate Executive D (94th Cong., 1st sess.).

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Remarks on Greeting Participants in the Annual Youth Tour of the National Rural Electric Cooperative Association.

June 11, 1975

LET ME just say I am delighted that all of you are here, and I congratulate you on achieving the success that you have in making it possible for you to be here. I wish my daughter, Susan, could have been here today. She just graduated from high school about a week ago. I know she would have thoroughly enjoyed talking with all of you, meeting you. She is out in Yosemite taking a course in photography.

I think you might be interested in what her senior class did for their school prom. They held it right here in the White House, while my wife and I were in Europe. [*Laughter*] I am sure that the arrangements for that were very coincidental.

Now, holding a prom in the White House might sound like a pretty super idea, but it did create one problem. The headmaster or principal of the school told me he got a call from a very, very concerned parent of one of the young ladies. This parent called and said in a very serious manner that they had made it a practice never to allow their daughter to attend a party in anyone's home when the parents were away. [*Laughter*] But in this case they were going to make an exception. So, after the prom we got a call from Susan, and she said the White House was still intact and everybody had had a good time. And we, of course, were delighted.

All of you come from areas where rural electrification is a very important part of your society. For about 40 years the REA [Rural Electrification Administration] has played a very vital role in bringing about the electrification of rural America. When the REA first began—I don't recall the precise statistic, but there was a very great lack of electrical power in our rural areas. And because of the REA, we have gone from a minimum of electrical energy in our rural areas to a situation today where I think we have electrical energy available for people in almost every area of this country. And the REA can claim the major credit for this tremendous effort.

Now, I want to ask this question—and all of you know the answer: Where do we get electrical energy? You get it from the sources such as coal, oil, natural gas,

nuclear power. And I ask this question: How can this country grow and prosper and give the kind of opportunities to all of you that you deserve if we don't have energy?

Now, unfortunately, the circumstances are such that the United States of America, after being abundant in energy all its lifetime, for 198 years, today is faced with a very severe and a very critical shortage of energy. Today the United States imports roughly 38 to 40 percent of its oil consumed. A few years ago, we imported very little oil. Every day the dependence on imported oil becomes greater and greater.

Now, we don't expect any cutoff of our foreign oil imports. But it did happen in October of 1973, and for a period of 4 or 5 months America was literally limping along with an insufficient supply of crude oil. We don't produce enough domestically. It so happens that our daily production of domestic crude oil in this country is getting less and less and less, which means that our dependence on foreign oil becomes greater and greater and greater every day.

Now, this great country should never let itself get into the position of being vulnerable to either price actions or supply actions by other countries overseas.

Your generations are the generations that are more and more critically affected than mine, because the United States in the future has to have a self-sufficiency, and if we don't, we can't have all the blessings and the good things that have been available in the past.

What am I saying? I am saying we have got to develop nuclear power and produce more nuclear plants around the country. We have to get more natural gas and crude oil production in the United States, in Alaska, and other areas that are potentially very important. We have to open a good many more coal mines. We have to use coal, which is our greatest source of energy in this country.

The estimates indicate we have some 300 years of coal supply. We have to use our ingenuity, our scientific capability to find how we can take the power of the sun—solar heat, solar energy. We have to investigate and find ways to expand our geothermal energy capacities.

What I am saying is America, in a wide variety of ways, must maximize its effort to be self-sufficient so that your generation cannot be held hostage by other foreign governments.

We have asked the Congress to pass energy legislation which stimulates production and forces conservation. As you get to know your Congressmen, your Senators—I hope you will—urge them to pass an energy program, to pass energy legislation. It is their obligation to do so for the country, for you, and for the future of the world, as a matter of fact.

Now, let me conclude with this simple statement: I really enjoyed having the opportunity to visit with you this afternoon. I understand later on you are going to have a happening—if that is the right word—[*laughter*—1,000 helium-filled balloons, pizza, hotdogs, hamburgers, popcorn, potato chips, candied apples, a rock band, and dancing.

One of your members just invited my wife and myself to come. Unfortunately, we won't be able to. Susan makes it a practice never to let us attend a party in anyone's home when the parents aren't there. [*Laughter*]

Well, it is nice to see you. Good luck, congratulations, and I do hope that you benefit from your experiences here; that you go back and become enthusiastic supporters of our way of life, our government, and what it can do to make all of us better citizens, not only domestically but otherwise.

This country is fortunate to have you, every one of you, but you are also fortunate to have this country.

Thank you very much.

NOTE: The President spoke at 2:25 p.m. in the Rose Garden at the White House.

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Toasts of the President and Prime Minister Yitzhak Rabin of Israel. June 11, 1975

Mr. Prime Minister:

I am very delighted to have you here and to welcome you back to Washington.

You have been here a number of times, plus your long service as a member of the diplomatic corps, and we are delighted to have you here on this occasion. I think it also gives to all of us an opportunity to thank you for your very generous hospitality on behalf of many Members of the Congress and others, as well as many Americans, who have visited Israel. I thank you on their behalf.

I think your visit comes at a very important moment in the history of both of our countries. As Americans, we face our Nation's 200th anniversary, and in the process, of course, we are reviewing the past in search of some of the fundamental human values which characterize, as I see it, the very best in America.

The most basic of this, of course, is the desire for freedom and the desire for independence and the right of each individual to live in peace. Fortunately, Israel shares this view with us. It is this sharing which is the basis of our fundamental relationship—of the United States strong and continuing support

of the State of Israel and Israel's understanding of the essential interests of the United States.

Mr. Prime Minister, when we met in Washington 9 months ago, at the very outset of my Administration, we jointly reaffirmed the need to continue our intensive efforts for peace. We then recognized the importance of maintaining the momentum of negotiations toward this end.

Having admired you as an Ambassador, we found it easy, I think, to establish a good working relationship. We agreed that it was in our mutual interest that these efforts succeed, and it would be a tragedy if they failed. I think we recognize that stagnation would be most unfortunate in our work for peace.

We met today to insure that this does not occur, to seek progress toward a truly just and durable peace, a settlement that is in the best interest of all of us, in the Middle East. I consider the meeting this morning very constructive and our conversations here tonight equally so. I think with perseverance we can be successful.

Gentlemen, let me ask that you join me in a toast to the success in these efforts to obtain a just and durable peace in the Middle East, to the close relationship between our two countries, and to an individual of dedication and courage in the service of his country, the Prime Minister of Israel.

Mr. Prime Minister.

NOTE: The President spoke at 9:07 p.m. in the State Dining Room at the White House. Prime Minister Rabin responded as follows:

Mr. President, Members of the Congress, members of the Administration:

Mr. President, I would like to thank you very much for inviting me to Washington in the efforts to do whatever is possible to move towards peace in the Middle East. I believe that your interest, your determination to do whatever is possible and to explore all the possibilities that will lead these complex conflicts in the area towards peace are a sign of the great leadership of you and a few great countries in the free world.

I would like to assure you in the name of my country and my people that if there is something that we are really eager to achieve, it is a real peace in the area. We have tried for 27 years to do whatever is possible, or was possible, to achieve peace. Unfortunately, peace has not been achieved. But we believe that peace must be reached in the area. It is in the interests of all the people who live there and will serve to their interests. And therefore, whatever is done to move towards peace is more than appreciated by us, by the people of Israel.

I am sure that in the course of the talks that we have had and we will have, we will try to find what

are the best ways in which we can cooperate with you, Mr. President, with the United States Government, to move towards peace. But allow me to say that peace, a real one, can achieve only by understanding—can be achieved by compromise, but must be achieved when the two sides that are involved in the conflict would decide to put an end to it and to establish the structure of peace.

The United States has served—and I am very pleased and grateful to you that you are determined to continue to play—a major role in the achievement of peace. Israel has learned to admire, to appreciate the United States and American people. In the last 27 years, we have gained the support, the understanding of the American people, and we are more than thankful for what has been done by the United States in supporting Israel and helping the cause of peace.

I would like to thank you, Mr. President, very much for your understanding of the problems of Israel and the need, the urgency to move towards peace. And I hope that through your efforts, we would achieve what has not been achieved by now, a real move towards a real peace.

Therefore, allow me to raise my glass to you, to the President of the United States and to the friendship between our two people.

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Memorandum to Attorney General Levi on the Report of the Commission on CIA Activities Within the United States.**June 12, 1975**

[Dated June 11, 1975. Released June 12, 1975]

Memorandum for the Attorney General

The Commission on CIA Activities Within the United States has presented its final report to me. Transmitted herewith is a copy of the report.

Under Executive Order 11828, the Commission is required to furnish to the Attorney General any evidence found by it which may relate to offenses under the statutes of the United States. Vice President Rockefeller has advised me that the Commission desires that the Department of Justice examine all materials collected by the Commission to make this determination. Such materials include information relating to allegations that the CIA has been involved in plans to assassinate certain leaders of foreign countries.

In addition to the materials accumulated by the Commission, there are relevant materials on these subjects in the files of the National Security Council and certain State Department and Defense Department files of similar relevance. All of these materials are now available for your investigation through Philip Buchen, Counsel to the President.

I hereby request that you review all of these materials as soon as possible and take such action as you deem warranted as a result of your investigation.

GERALD R. FORD

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Memorandum on the Report of the Commission on CIA Activities Within the United States. June 12, 1975

[Dated June 11, 1975. Released June 12, 1975]

Memorandum for the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Attorney General, the Director of Central Intelligence
Subject: Report of the Commission on Central Intelligence Activities Within the United States

On January 4, 1975, I established a Commission on Central Intelligence Activities Within the United States to determine whether any domestic activities of the CIA exceeded the Agency's statutory authority. The Commission has

completed its work and has submitted a report which contains a number of recommendations for changes in the framework within which U.S. intelligence activities are conducted. I have reviewed the report and believe that it establishes a sound basis for addressing structural and other possible weaknesses in the operation of the CIA and other intelligence bodies.

It is vital to the national security and foreign policy of the United States that we preserve and strengthen our intelligence institutions and capabilities. It is equally important that all government intelligence activities strictly observe constitutional guarantees against the violation of individual civil liberties. Within this context, I request that you review the report and provide me your comments on the report and its recommendations as soon as possible.

GERALD R. FORD

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**Message to the Congress Transmitting Annual Report
of the National Endowment for the Humanities.**

June 12, 1975

To the Congress of the United States:

I am pleased to transmit the Ninth Annual Report of the National Endowment for the Humanities for fiscal 1974.

The humanistic traditions upon which this Nation was built still provide the moral and political basis of our life as a people. In fiscal 1974, the Humanities Endowment approached its first decade of grant making with projects designed to bring the insights of the humanities to all Americans.

The Endowment's efforts over the past ten years have been noteworthy. Public support for its programs and objectives can be measured by its increasing ability to attract public contributions that have, in the past five years, exceeded the federally appropriated funds set aside to match them. I am happy to note that in 1974 private citizens, foundations, and corporations donated over \$6.5 million. This reaffirmation of public confidence justifies, I believe, the strong support the Endowment has received from both the legislative and the executive branches.

GERALD R. FORD

The White House,
June 12, 1975.

NOTE: The 244-page report is entitled "Ninth Annual Report of the National Endowment for the Humanities."

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Statement Endorsing the President's Labor-Management Committee's Recommendations on Electric Utilities Construction. June 13, 1975

TODAY, I am releasing the text of the Labor-Management Committee's recommendations for legislative and administrative measures to increase electric utility construction and output.

Having carefully reviewed these recommendations, I accept and endorse them because they can make a significant contribution in reducing the Nation's dependence on oil imports and in conserving scarce natural gas supplies.

Additionally, an expansion in electric utility construction and production will provide solid, long-range employment which will be highly beneficial to the country. An increase in electric utility capacity will also contribute significantly to economic expansion.

I will take steps promptly to create the task force the Committee recommends to tackle the problem of delays in the completion of utility plants. In view of the long lead time on construction, completion of plants now in advanced stages of planning or under construction must have top priority.

I appreciate the constructive contribution of labor and management working together. The time has come for Government to cooperate in the same spirit in addressing and resolving the Nation's problems. I thank the Committee for its continuing work and appreciate its efforts in the national interest.

NOTE: The Committee's statement of May 21, 1975, containing its recommendations is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 626).

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Remarks at the Swearing In of Stanley K. Hathaway as Secretary of the Interior. June 13, 1975

Thank you very, very much, Kent. Governor and Mrs. Hathaway, distinguished Members of the Congress and the Cabinet, members of the Department of Interior family, ladies and gentlemen:

It's a great thrill and a wonderful privilege for me to be here and to participate in the swearing in of Stan Hathaway as Secretary of the Interior.

Stan's swearing in will be another important piece in the putting together

of a first-class Cabinet of men and women who will be extremely helpful to me and to the Congress and to the country in policy-advising responsibilities, in working with the Congress, in making this country a better place for all of us to live. He is another important ingredient in a team that we're going to have for the betterment of all of us.

Stan comes to this new responsibility after 8 years as an extremely able and effective Governor of the great State of Wyoming. He was not only popular but he got things done, and his record will go down in the history of the State of Wyoming as an outstanding one.

He was a good administrator, and he had a great desire and an effective one to do what was right for his people in that State. He brings to this position as Secretary of Interior the skills that he developed in 8 years as Governor of that State, and he brings with it the same desire to do a first-class job as Secretary of Interior. And I believe that the Department and the country will be the beneficiaries.

Governor Hathaway has assured me that as Secretary of the Interior, he has the highest possible commitment to a balanced program for the preservation of our environmental heritage. He brings, also, the wise management of our natural resources, and he brings with his swearing in a dedication to support our national energy goals.

And I have assured the Governor that whether it's in the field of environment, administrative management, or our energy goals, that I will give him total support.

During my lifetime, I've been privileged—both as a public official and before—to travel the length and the breadth of our country. And a good many years ago, Stan, I was a 90-day wonder as a ranger in the National Park Service. And I served in Yellowstone at the Canyon Station, and I learned there for the first time the tremendous beauty that you have in your State and that our country has in one of our great natural heritages.

I assure you, as you have assured me, that we're going to work together for the preservation of these amazing natural resources that we have. It is really a part of the majesty of America. We never want to lose that dedication to it. We never will.

And I can assure all of you here, as I would assure our fellow Americans, that in Stan Hathaway we have a man, as Secretary of Interior, who will do the job for all of us. And now, it's my privilege to ask Justice Rehnquist to perform the function of swearing in our new Secretary of Interior, Governor Stan Hathaway.

NOTE: The President spoke at 11:10 a.m. in the Interior Department Auditorium. William H. Rehnquist, Associate Justice of the Supreme Court, administered the oath of office.

In his opening remarks, the President referred to D. Kent Frizzell, Solicitor, Department of the Interior.

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Memorandum Establishing the President's Panel on Federal Compensation. June 13, 1975

[Dated June 12, 1975. Released June 13, 1975]

Memorandum for: Vice President of the United States, Secretary of Labor, Director, Office of Management and Budget, Chairman, U.S. Civil Service Commission, Director, Council on Wage and Price Stability, Assistant Secretary of Defense for Manpower and Reserve Affairs

Subject: President's Panel on Federal Compensation

I am today establishing a new President's Panel on Federal Compensation and designating you to serve as its members. You will direct an immediate comprehensive review of the major Federal employee compensation systems and present to me by November 1, 1975, policy recommendations on how the Federal Government can best determine the appropriate levels of total compensation for its employees under the principle of comparability with non-Federal employers. The primary objective of the review is to ascertain any needed changes in Federal compensation policies and practices, keeping in mind our goal of a system that is fair and equitable both to the employees and to the public.

Vice President Rockefeller will serve as the Chairman of this Panel, and Robert E. Hampton, Chairman of the Civil Service Commission, will be its Vice Chairman.

I am also designating the Executive Director of the Domestic Council, the Chairman of the Council of Economic Advisers, the Assistant to the President for Economic Affairs, and the Chairman of the Advisory Committee on Federal Pay, to act as advisors to the Panel.

Other senior officials of Government will be represented when matters of particular interest to them are being discussed (e.g., the Secretary of State when Foreign Service salaries are the topic, the Administrator of Veterans Affairs when pay rates and procedures concerning the Department of Medicine and Surgery are under discussion).

GERALD R. FORD

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Remarks at Ceremonies Commemorating the Bicentennial of
the United States Army at Fort Benning, Georgia.

June 14, 1975

Thank you very, very much, General Tarpley. Governor Busbee, Senators Sparkman, Talmadge, and Nunn, distinguished Members of the House of Representatives from the States of Georgia and of Alabama, Secretary Callaway, distinguished guests, ladies and gentlemen:

It is a very, very great honor for me to be here in Fort Benning, the home of the Infantry, and to join with the citizens of Columbus and Phenix City as well to make this a real tri-community celebration. You have made coming from the banks of the Potomac to the valley of the Chattahoochee a very memorable experience.

You know, one of these things I have always admired about our men in uniform is their ever-present sense of humor. And what brought this to mind—as we were walking over here Major General Tarpley told me how impressed all of Fort Benning was with the way I came out of Air Force One and down those steps in Salzburg, Austria. I asked him what he meant. He said, “Well, it is the first time we ever saw anyone come out of a plane like that and not wear a parachute.” I told the General I was only trying to live up to one of your mottoes. He said, “Which motto is that?” I said, “Airborne, all the way.” [Laughter]

This is a great day for the United States Army and a great day for all Americans. Today, I am proud to join a grateful Nation in saluting the Army on its 200th year of service and sacrifice to our country.

On this day in 1775—a year before America’s independence—our Second Continental Congress created the American Army. To have meaning, the deliberations and debates of Independence Hall had to be backed up by strength. The decisions made there had to be defended at Bunker Hill and on a dozen other battlefields across this new Nation.

It was a bold step from which there could be no retreat. It was a recognition of the realities of the world in which the colonists lived and in which we live today; that there are times when principles must be defended by the force of arms.

Since that day in 1775, our soldiers have protected and preserved this Nation at home and throughout the world.

I know there is much that I will remember about this visit. But perhaps the one thing that best sums up the spirit of this day is the simple but deeply moving statue here at Fort Benning of an American combat infantryman. The statue, as you well know, bears the Infantry's motto, only two short words. But it speaks volumes for the courage, for the sacrifice that the American fighting man has always demonstrated. The motto is, "Follow me." It is this "Follow me" spirit, this sense of courage, leadership, and sacrifice that has characterized the American Army from its beginning as a ragged band of citizen volunteers, united only in love of liberty and a deep, deep sense of duty.

Very few people thought that this citizens army had much of a future in 1775. After all, the colonies had no allies and only limited industrial capacity. And the adversary was the greatest global military power of the 18th century.

Yet, there were some who sensed from the start that for all its weaknesses and handicaps, this was no ordinary army and that the goal it served was something special, perhaps even unique, in the annals of history.

On June 15, 200 years ago tomorrow, the Continental Congress chose a commander for its new army—a tall, quiet Virginian. In his letter to his wife, Martha, George Washington expressed his personal faith in the mission he and his fledgling army were about to undertake together. And he wrote as follows: "It is a kind of destiny that has thrown me upon this service." And that destiny saw Washington and his men march from the harsh winter and privation of Valley Forge to the ultimate victory of Yorktown.

That first American Army faced many obstacles and some defeats. But it had one enduring trait: It wouldn't quit. The mainstay of Washington's revolutionary force was the will to be free and the willingness to pay the price of freedom. Today's Army, exemplified here at Fort Benning, continues that great tradition. And we thank you all.

Although we still enjoy the freedom which the Continental Army won for us, we have also learned, over the years, that freedom is never free. Each subsequent generation, in its own time and in its own way, has answered the call to service and sacrifice to preserve our legacy of liberty.

Today's generation is no exception. And one of the most important contributions it has made, physically and morally: a strong United States Army, an army that is worthy of the heritage of two centuries of heroes.

Like the men of 1775, you who serve today are volunteers. With your comrades in other services, you are the guardians of both our peace and our liberties. For if we are to avoid war, we must maintain a credible and ready fighting force on hand, ready. Today's realities have increased rather than reduced our need for a

solid, conventional fighting force and for strong and ready infantry soldiers, such as I see here today.

In today's world, as the world of George Washington, weakness is a provocation to aggression. It took strength to win our freedom. It will take strength to keep it and to preserve the peace. The American soldier has paid the price of freedom for countless years and on countless battlefields throughout the world.

For my part, I will do everything I can to see that our service men and women continue to receive the recognition and the respect that is their due. They have earned it. And I will continue and maximize my effort to work with the Congress to keep our Armed Forces supplied with the best and the most modern weapons, training, and equipment in the world today.

In the short time that I have been here at Fort Benning, I have seen and felt the pride and the vitality of the modern volunteer soldier. Last week I had the privilege to fly to West Point to give the graduation address. My old friend and former colleague in the Congress, Secretary Callaway, was along then as he is today. I asked Bo, while we were in Air Force One, how the all-volunteer force was doing. Well, it is a good thing it was a short flight—[*laughter*—]—because when Bo gets talking about the success of the all-volunteer Army, he just won't quit. But I can see here today why Bo is so excited, and I am glad to share that enthusiasm.

From my days in the Congress, I can well remember the spirited debate and the concern expressed over the establishment of an all-volunteer Army. An all-volunteer Army of 782,000 soldiers was considered by many as impractical at best and impossible at worst. I can vividly remember one of my Congressional colleagues saying, "The only way to get good volunteers . . . is to draft them."

Well, as so often happens, the doubters were wrong. Today's Army is not only an army of volunteers; it is most importantly an army of winners, and we are proud of them. It is truly representative of all of the American people. As a matter of fact, the Army is attracting better educated, better qualified, higher skilled young men and women into its ranks than ever before. And most importantly, from what I see here today and have observed elsewhere, this new Army has kept intact that esprit de corps which 200 years of history and tradition have instilled.

Seeing so many flags proudly flying here reminds me of the fact that, besides being an important anniversary of the Army, today is also Flag Day. As I travel across America, I am proud to see that more and more people are displaying flags in their yards, on their cars, their places of business. Perhaps the spirit of the Bicentennial has caught on.

Whatever the reason, let us never forget that the flag we honor today embodies 200 years of experiences of great people. It symbolizes the Nation's history. As President Woodrow Wilson said in a quote concerning the flag, "No man can rightly serve under that flag who has not caught some of the meaning of that history." Each of us in our daily lives, in our sense of patriotism and purpose, can add to that history and the flag that embodies it.

For when you get right down to it, the most remarkable thing about America is not the fact that we have produced great leaders. Other nations and other civilizations have done as much. What is unique is the way in which generation after generation of Americans—working men and women from all national, racial, regional, and religious backgrounds—have joined together to build a new nation and new lives for themselves. The great lesson of America is that in a free society like ours, the so-called common man can rise to uncommon heights of heroism, sacrifice, and achievement.

That is what the American flag stood for 200 years ago and what it still stands for today—the integrity and the worth of the individual citizen. And that is what each of us is sworn to defend.

From 13 stars, the flag has grown to 50. From 13 coastal colonies on the edge of an untamed continent, America has grown into the most productive, strongest, and freest nation in the global history.

But strength of spirit is every bit as important as wealth and territory and industrial power. What the American flag will stand for tomorrow depends on each of us today. If we live up to the trust of this Nation's founders and to the dedication of its men in uniform—and I am confident that we will—then the flag and the Nation we pass on to posterity will still justify Oliver Wendell Holmes' eloquently stated vision—in the words of "One flag, one land . . . one hand, one Nation, evermore!"

Thank you very much.

NOTE: The President spoke at 10:17 a.m. at York Field. He was introduced by Maj. Gen. Thomas M. Tarpley, Commanding General, Fort Benning.

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Remarks of Welcome to President Walter Scheel of the Federal Republic of Germany. June 16, 1975

Mr. President, ladies and gentlemen:

It is a very great honor and a personal pleasure, Mr. President, to welcome you here on behalf of the American people. Although this is your first visit as a Fed-

eral President, you have been welcomed to our country on many previous occasions. I, therefore, greet you not only as Federal President but also as an old and very dear friend of America.

Over 17 years have passed since your distinguished predecessor, Theodor Heuss, paid us a state visit. In that year, 1958, the Federal Republic was in the early stages of a remarkable economic recovery and growth, which can now be seen as an economic miracle. The Federal Republic was on its way to becoming one of our strongest allies, one of our most important trading partners and closest of friends.

We have seen many, many changes since the late 1950's. Mr. President, today we face new challenges of unparalleled complexity, including those of energy and international economics. Yet the basic principles of our foreign policies and of our relationship remain sound and constant.

We are as strongly committed as we were 17 years ago to safeguarding the freedom of the West. We have remained committed to the freedom and security of Berlin. We see the peace and security of Central Europe as a true test of the process known as *détente*.

Only a few days ago I made my first visit to Europe as President of the United States. In Brussels, the heads of government of the North Atlantic nations met and reaffirmed the continuing solidarity of our Alliance and the continuing strength of our commitment to the goals that unite our peoples.

In the era now before us, I can say with confidence that Americans are committed to this Alliance with renewed dedication, vision, and purpose.

It is my intention, Mr. President, to work in close concert with you to serve our peoples' common objectives. Together, our strong, free, and prosperous nations can achieve much for our own peoples and for mankind.

Your visit, Mr. President, bears eloquent testimony to the friendship and partnership of the Federal Republic of Germany and the United States. In this spirit, I bid you a most cordial welcome on this occasion, and I look forward to our discussions of the problems of mutual interest and concern.

NOTE: The President spoke at 11:25 a.m. on the South Lawn at the White House where President Scheel was given a formal welcome with full military honors. President Scheel responded as follows:

Mr. President, Mrs. Ford:

My wife and I should like to express our sincere thanks for your friendly words of welcome.

Today, I come to the White House for the first time as President of the Federal Republic of Germany. What is, after all, the purpose of such a state visit?

Firstly, by its very character, it is intended to mirror the state of mutual relations. These relations are, I know of no doubt about it, excellent. We are showing people both at home and abroad how close are the ties which unite us. This is a good thing, and important, too. It is something the world should—indeed must—know.

Such a visit also enables us to take stock. We look back at the past. The bicentenary of the founding of the United States is near at hand. The 30th anniversary of the end of the war in Europe is just over.

Both anniversaries play an important part in our relations.

The United States Constitution gave birth to modern democracy based on freedom and, thus, to the democratic family of nations to which the Federal Republic also belongs.

For us Germans, the 30th anniversary of the end of the war calls forth ambivalent feelings, but it also reminds us of the debt of gratitude we owe to the people of the United States for the generous help they afforded their former enemy. I need not press the point that this help will never be forgotten.

But we must not only dwell on the past, we must also face up to the present. No one, Mr. President, has a clearer picture than you and the Government you lead of the problems of worldwide dimensions which confront us today.

The free Western World has taken up this historic challenge. I am convinced it has enough courage, perception, imagination, and initiative to solve the pending problems.

Of course, this cannot be done unless we join forces. Alone, everyone for himself, we shall not succeed. This means that we need European unification. We need the Atlantic partnership between a united Europe and the United States of America.

This Atlantic partnership must comprise not only our common security policy, which will continue to

be vital, but also all political spheres of importance for both sides. In particular, it must include a common approach to the crucial economic and monetary problems facing the world today. Every step towards more solidarity, I believe, is a step to strengthening our free democratic system.

Your impressive visit to Europe underlined once more these fundamental truths. The countries joined in the Atlantic partnership do not cut themselves off from the outside world. Indeed, one of the reasons for uniting has been to contribute with our combined strengths towards a solution of the global social problem of our time—that of development.

The chances for the survival of democracy are, as I see it, crucially dependent on the forces of freedom all over the world, finding the right answer to this problem.

Mr. President, I am pleased to feel that I am a welcome guest in your country. Let me say here and now that you, too, would be a highly welcome guest in our country. I do hope that I will be able in the not too distant future to welcome you in Bonn as the guest of the Federal Republic of Germany. But right now, Mr. President, I am looking forward to my talks with you.

Thank you.

PRESIDENT FORD. Thank you very much. I look forward to coming there.

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Remarks on the Establishment of the John J. McCloy Fund for German-American Exchanges. *June 16, 1975*

Mr. President:

Let me, on behalf of the American people, thank you for two things.

First, of course, we thank you for this very generous gift to the American people on our Bicentennial. It will be, I think, used most beneficially in cementing relations in the future between your Government and ours.

But secondly, let me thank you for recognizing one of our great citizens, John J. McCloy. Unfortunately, the American people have not, in my judgment, adequately understood and recognized the significant contributions that John McCloy made to the postwar era and the development of relations between the Government of West Germany and our own.

I believe the establishment of this fund will, in this case, give recognition to a man who was always available for public service, a public service that seldom

got proper public recognition, but a public service that was absolutely essential in the difficult times following World War II.

So this, in my judgment, is greatly appreciated not only by the people of the United States for what it can do in the future, but it does, at the same time, indelibly make as a matter of record a career of a person, in John J. McCloy, that needs that proper public exposure and recognition.

So, I thank you in both cases and congratulate John McCloy for his never-ending service to our country.

NOTE: The President spoke at approximately 1:15 p.m. in the Rose Garden at the White House in response to the remarks of President Walter Scheel of the Federal Republic of Germany.

President Scheel and Mr. McCloy spoke as follows:

PRESIDENT SCHEEL

Mr. President, Mr. McCloy, ladies and gentlemen:

To begin with, I wish to thank you most cordially, Mr. President, for having allowed this small ceremony to take place in the White House.

Your gesture is the finest present that could have been made to mark the baptism of the fund. Its name is "John J. McCloy Fund for German-American Exchanges." It is a fund made available by the Government of the Federal Republic of Germany as one of its contributions to the celebration marking the Bicentennial of the United States of America.

But the fund also is to honor the man whose name it bears and whom we want to thank, John J. McCloy, Germany's great American friend.

It is not for a German President to pay tribute to the work which this great patriot did for his own country, but what I can do is to express our gratitude for the invaluable service he has rendered to German-American relations.

In working for that cause, he has ever served his country. But to us, he became the great friend, a symbol of German-American friendship.

In 1949, a few days before the Federal Republic was founded, John McCloy came to Germany as the first civilian United States High Commissioner. He assumed his office at a time when the Marshall Plan had already become operative, at a time when a fundamental change had come underway in relations between the two nations.

The aid provided under the Marshall Plan saved millions of Germans from great misery. Never before had the vanquished received so much active and unbiased support from the victor.

John McCloy was able to build on the basis of this great and truly humane American policy. The years of his term of office as High Commissioner for Germany—1949 to 1952—were of decisive importance for the future course and destiny of my country.

The Federal Republic was founded, its basic law enacted, a free and democratic state formed. The heaps of debris were removed. The people began to show initiative again. The foundations were laid for the subsequent economic recovery.

Slowly, the Federal Republic reentered the circle of the family of nations. The occupation regime was gradually relaxed and in the end almost totally abolished.

The freely elected German Government took the country's fortunes into its own hands. It was a period of new beginnings.

Today, hardly anyone can still imagine the thousands of problems we had to contend with. Building a new state for 60 million people was a tough job, to be sure. Yet it all developed at surprising speed.

The people seized and used opportunities that freedom had for them. No doubt, things would have progressed less quickly had we not had friends who knew our problems as though they were their own, friends who gave advice or warnings, who explained our trials and worries to their own governments, who encouraged their governments to show confidence, who organized help wherever they could. And here, it is John J. McCloy whom I have to name first and foremost.

Nor should I forget to mention his wife, who, as a big weekly wrote on the occasion of John McCloy's 80th birthday, was a good star of many Germans at that time.

As High Commissioner and head of the Marshall Plan administration in Germany, John McCloy attended to practically all problems with which we were confronted, offering his help, advice, and good offices. I can hardly imagine that the United States ever assigned a more difficult, a more complicated task to any of its servants that John J. McCloy has accomplished in a manner that will forever assure him an honorable memory in the history books of both countries.

Wisdom and tact, reliable judgment, and inexhaustible imagination, combined with profound humaneness, humor, and the great gift of understanding, of listening to others—in short, his out-

standing personal qualities were the roots of his success.

He stayed with us for only 3 years, but was there ever another man who came to a country as a representative of a victorious power and after 3 years' work left behind him a reputation which President Kennedy fittingly circumscribed by calling John J. McCloy the godfather to German freedom?

On the second of July, 1973, the President of the United States invited the Federal Republic of Germany to contribute to the celebrations in memory of the American Revolution of 1776. We have gladly accepted that offer, for on that anniversary our nation, our Republic, too, celebrates the birthday of free Western democracy.

The John J. McCloy Fund for German-American Exchanges is one of our contributions. It will be equipped with a stock of \$1 million. The fund will be set up under the aegis of the American Council on Germany, with whom John J. McCloy has been associated for many years and whose chairman he still is.

The fund shall serve to interest gifted young people of both countries in continued close German-American relations and to equip them with the necessary knowledge and information. The aim is to exchange young politicians, representatives of free professions, young trade unionists, and youth leaders, to arrange German-American conferences, and to support important publications on German-American relations.

One might ask, are there not already thousands of links in all fields? Is it useful and necessary to add another? Can such a fund produce anything new?

I think it is useful and it is necessary. What determines today what nations think of each other? History and the mass media are the main factors. No doubt both help to enhance understanding, but they can also produce false opinions.

Do people in this country, when the name of Germany is mentioned, not frequently think first of the atrocities committed under dictatorship? Is the general public already aware of the fact that there is a totally different, free democratic Germany today that has nothing, indeed nothing, in common with those 12 years?

What are things like in my country? Of course, we learn something about America every day in the press, through radio and television. This is a land of justice, but it is not always the positive side that appears in the mass media. It is often the negative ones. This is a land of freedom, but the reports on freedom meet with less attention than the reports on violence.

This is why I think that the John J. McCloy Fund is useful and necessary. It can help to do away with rash opinions about each other. The fund alone will not be able to do this, but it will make an essential contribution to this.

If it shows itself worthy of the man after whom it is named, if it helps us to get to know each other as you, Mr. McCloy, know and view Germany with criticism, fairness, and full of sympathy, it has served its purpose.

Mr. McCloy, I now take great pleasure in presenting to you the deed of establishment of the John J. McCloy Fund for German-American Exchanges.

Thank you.

MR. MCCLOY

I don't want to keep you out in the rain, but I can't let all those accolades be cast on my head without disavowing them to some degree.

When I think of the number of people that were involved in this period which the President has referred to, which President Scheel has referred to, there are many names that come to my mind that I wish this fund could be more appropriately named.

I am thinking of my great predecessor, that soldier-statesman, Lucius Clay, whom I succeeded, and President Truman himself and his very brilliant Secretary of State, Dean Acheson, and a number of others.

But I can also think of some Germans that could be named, like Konrad Adenauer. Konrad Adenauer used to have a little trick of calling me the proconsul from time to time. He was very sensitive to all the Roman traditions in his homeland, and of course, all over the Rhineland there were all sorts of Roman reminders, reminders of the Roman conquest, so I never quite knew how to take it.

I would also like to mention Chancellor Erhard, whose effective work in the administration of the Marshall Plan had a great deal to do with its success.

Secretary Kissinger just reminded me that I had recently my 80th birthday. I have been getting too many reminders of the fact that I am very old, but I was thinking the other day about that.

Here is my 80th birthday, and this is the Bicentennial of the life of the country. My one lifespan represents 40 percent of the entire life of the Nation. It shows that either I am awful old, Mr. President, or the span of the life of this country is very short. [Laughter] Well, it is short, and both our countries have a very short span.

The Federal Republic I used to refer, Mr. Scheel, Mr. President, to some sense of disillusionment on the part of those who were not part of the old period, some feeling of cynicism and some lack of sense of responsibility for the past.

There are many noble things that occurred in the genesis of the Federal Republic. I think of the names and the men who emerged at that time, and some noble spirits, men and women, who this youth of today can very well take great satisfaction in having association with.

My great hero statesman—there are a number of them, but I suppose the one that I think of most as

my hero statesman—was Henry Stimson, who was Secretary of State and thrice Secretary of War, and Secretary of War during the Great War when I had the privilege of serving under him.

He left that clarion note to those who came after him, to the youth that were succeeding his generation, bidding them to go off and do better, if you can, don't waste your time in criticizing, bear up your faith in mankind, never lose the will to strive, and

then he ended it up by saying that the only deadly sin he knew was cynicism.

If this little foundation can really bring people together from both sides of the water, with that sense of spirit, the founders' purpose will be fulfilled.

Let me say again how deeply I appreciate, both Messrs. Presidents, the fact that you should come out on this gracious occasion the way you did.

Thank you very much indeed.

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Remarks Upon Signing a Bill Extending the Emergency Livestock Credit Act of 1974. *June 16, 1975*

LET ME thank the Members of the Congress, particularly those from the two committees on agriculture for coming down, along with Secretary of Agriculture Butz, for the signing of the emergency livestock credit act of 1975, which is, of course, an extension of the law that was passed in the first instance in 1974.

The livestock industry for the last several years has been going through a very difficult period. They have a cost-price squeeze; there has been a serious problem in handling credit as a result.

The Congress and the executive branch working together by the original act and by the extension which I am about to sign, I think, will help to build a healthy livestock industry. It will be something that will benefit not only the livestock producers and other related agricultural producers but it will likewise help the consumer, in that we will have an assured supply of good food, which is, of course, essential and necessary for a better America.

So, it is a privilege for me on this occasion to thank the Members of Congress who have worked on this legislation and to participate in the extension of this legislation.

NOTE: The President spoke at 3:01 p.m. at a ceremony in the Cabinet Room at the White House.

As enacted, the bill (S. 1236) is Public Law 94-35 (89 Stat. 213).

333

Remarks Upon Signing a Summer Youth Employment Bill. *June 16, 1975*

BEFORE SIGNING the summer youth employment, recreation, and transportation supplemental appropriation bill, I do want to thank the Members of

Congress, both the House and the Senate, both Democratic as well as Republican, for the quick action in getting this supplemental appropriation bill through.

It amounts to about \$473 million. It will provide approximately 840,000 job opportunities for young people in the summer of 1975.

We do have a very high unemployment rate, particularly among the youth. And the youth not only need the jobs to keep active but they also need the employment and the compensation in order to return to school, if they are in college, or otherwise in the educational process.

I think this legislation administered by the Department of Labor, primarily under Secretary Dunlop and by the Community Services Administration, will do a fine job. The funding that comes from this appropriation bill will make a good many jobs available for the youth of America in the summer of 1975.

So, I thank the Congress. I am grateful for the good job that I know will be done by the Department of Labor and the Community Services Administration.

So, it is with great pleasure that I sign this supplemental appropriation bill.

Thank you very much.

NOTE: The President spoke at 3:37 p.m. at a ceremony in the Cabinet Room at the White House.

As enacted, the bill (H.J. Res. 492) is Public Law 94-36 (89 Stat. 215).

334

Toasts of the President and President Scheel of the Federal Republic of Germany. *June 16, 1975*

Mr. President, Mrs. Scheel, ladies and gentlemen:

On your first visit to Washington as President of the Federal Republic of Germany, we extend, Mrs. Ford and myself, our heartiest welcome.

Your first year on the job has shown you have brought to the highest office of your land the same energy and the same dedication that you displayed throughout your long career in the parliament of your country.

You are no stranger, Mr. President, to our American officials. You served with great distinction as Foreign Minister. You have shown a remarkable breadth and expertise in economics as well as in politics, and you have a very firm grasp—and we are most grateful—in the Third World as well as in our industrial communities.

We have also noted, Mr. President, your rise to stardom in another important field—popular music—and I refer specifically to a piece that you recently

recorded, which became a smash hit, as we call it, throughout your country.¹

Your musical success contributes to your overall accomplishments as you seek harmony at home and in concert with Germany's neighbors, both West as well as East. You have dedicated yourself, Mr. President, to the cause of European unity, as we discussed this morning, as well as Atlantic solidarity. I know these goals are vital to you, as well as to your country.

At the same time, your contribution to better East-West relations has been most significant. Recent experience has demonstrated there can be no domestic tranquillity or stability and prosperity in any country without cooperation with other nations.

My Administration has been extremely proud to work closely with the Federal Republic on important international problems facing both of us in today's world. Your country has made an important contribution to international peace, Mr. President, not only through its steadfast cooperation with its friends as well as its allies but also in the example set by your Government and your people in meeting the new challenges of the modern world.

The Federal Republic today is in many, many ways a model of the development of the modern industrial state—thriving in freedom as well as in democracy, earning its role of eminence by hard work of its people, and finding its successes in common endeavors within the European community and with its allies.

This is the real challenge for the leaders of the West. I am inspired, Mr. President, by the determination that I sense in the Federal Republic and its leaders not to let our democratic way of life be undermined.

I continue to be impressed by your nation's ability to meet the tasks of today's world—whether in the fields of economics, trade, energy, national defense, or East-West relations—through the effective democratic government and creative diplomacy.

This tradition, Mr. President, is the most encouraging aspect of our friendship today. We cooperate very closely on the practical problems facing us, sharing the conviction that these solutions will mean nothing if our political and social institutions are not simultaneously preserved. A confident role in the world depends upon confidence in ourselves.

Mr. President, earlier today it was a pleasure to participate with you in the ceremony creating the John J. McCloy Fund, a fund established through a very generous contribution from the Federal Republic to our Bicentennial celebra-

¹ In December of 1973, then Foreign Minister Scheel recorded a folksong for the benefit of several charitable organizations in Germany.

tion, a fund which will be used to further German-American exchanges, conferences, contacts across the broad spectrum of our relations. I think this fund symbolizes anew the very close relationship between our peoples.

In this spirit, Mr. President, I raise my glass and welcome you to our country.
Mr. President.

NOTE: The President spoke at 10:15 p.m. in the State Dining Room at the White House.

President Scheel responded in German. The translated text of his response follows:

Mr. President, ladies and gentlemen:

I am glad to be visiting the United States just at a time when the whole country is preparing for the great jubilee of its history, the Bicentennial. One could reflect at length on whether the United States is an old or a young country. It is no secret that there is a rather uncritical school of thought in Europe that arrogantly thinks it can dismiss the United States, despite its 200 years, as a "country without a history." True, in my country, too, we have cities and towns that were a thousand years old when America gained its independence, but there is no merit in age alone. The tortoise reaches a ripe old age, but it is not the most noble of creatures. And how old is the Federal Republic of Germany? It is 26.

And this brings me to the main point: The United States is not simply 200 years old. In an unbroken historical tradition, it has been a liberal republic from its very beginning. Two hundred years of uninterrupted republican democratic tradition—where else in the world is there a republic which for two centuries has made liberty and equality for all citizens its law of life, which has not even shirked a civil war in order to remain true to the ideals upon which it entered world history? And those ideals are today still the most important, the most topical, and the most vital of all.

Europe is—who would doubt it—the mother of the United States. But the United States is—and who could doubt that—the mother of European democracy.

Over the centuries, many German immigrants have come to this country. We Germans were gratified at the result of a public opinion survey carried out by your Bureau of the Census. Of the 205 million questioned, 30 million said their heritage was Anglo-Saxon, but 25 million, the next largest group, said their heritage was German. They had left their native country because they wanted to escape religious oppression, because economic necessity left them no choice, because the accelerating process of industrialization had uprooted them, or because they were persecuted on political grounds.

Well, they all quickly became Americans, even though many of them still cherished their native

country. But their loyalty they gave unshakably to the land whose citizens they were proud to be.

Many of them returned to our country as American soldiers after the war and brought with them, together with their fellow citizens, the message of the free America. We hungrily threw ourselves upon everything that came from the other side of the Atlantic. Our writers were inspired by William Faulkner and Ernest Hemingway, our young architects stood in awe at the tremendous strides made in the meantime by architecture in America. Our newspapers modeled themselves upon their American counterparts, and young Germans fell for jazz. In short, one cannot imagine the cultural life of our country without the stimuli it received from this country.

Today, Mr. President, our two countries are closely linked with each other, but those ties are based not only on the identity of our political, economic, and security interests but on the interplay of cultural and historical developments that have been of such great importance to both countries. History shows us the way to each other.

And that is why the American President's appeal to us to join in the celebrations has met with a broad-based response in the Federal Republic of Germany. It gives me great pleasure, Mr. President, to be able to announce on this festive occasion some of the contributions the Federal Government will be making on the occasion of your jubilee year.

Those contributions are intended to symbolize the close relationship between our two countries, to help make both peoples even more conscious of its many facets.

We have therefore established a fund which will be known as the John J. McCloy Fund for German-American Exchanges. The fund will enable young politicians, journalists, and representatives of trade unions and employers organizations to undertake information trips and participate in German-American seminars. There was hardly any need to search for a name of the fund because John J. McCloy—whom I am delighted to see with us here tonight—has become a symbol of German-American friendship and cooperation over the past 30 years.

In the purely academic sphere, the New School for Social Research in New York will be endowed by the Federal Government with a new chair. The New School is a university founded by German emigrants, and the years of close cooperation with the school

have shown that by dint of mutual effort, it has been possible to bridge a dark chapter of the past.

At Georgetown University here in Washington, D.C., a guest professorship will be created with a view to deepening the close relations between the university and the Federal Republic of Germany.

The new Air and Space Museum in the Smithsonian Institution is to have a large-scale projection apparatus for the planetarium to be known as the Einstein Spacearium. That great physicist, who was director of the most outstanding research establishment in his field, the Kaiser Wilhelm Institute of Physics in Berlin, was expelled from Germany on racial grounds. The dedication of the Einstein Spacearium on 4 July, 1976, will again link his name, which belongs to both countries, with Germany. One of the best known modern composers of my country, Karlheinz Stockhausen, will be composing special electronic music for the occasion.

I have mentioned some of the contributions that will be made by the Federal Government. But the Laender of the Federal Republic of Germany and many cities and organizations, too, are making preparation to mark the bicentenary of German-American ties. All this adds up to a token of gratitude to a nation which refuses to be excelled where generosity is concerned. We Germans have every reason to remember this, and I can assure you that we shall never forget it.

As the President of a parliamentary democracy, who was himself for many years a member of the German Bundestag, I wish on this occasion to convey another kind of thanks to the American people—the thanks of the German parliamentarians for the generous hospitality they have received in America when they came here to get to know the parliamentary work of this country and to see for themselves what life here was really like. I myself was in the first group of members of the state parliament of North-Rhine Westphalia which visited your country in 1951. The friendly and generous reception we were given then, so soon after the war, had a profound effect on my view of America, I

will not deny it. And all my colleagues at that time had the same experience.

When the independence of the United States of America was proclaimed, men whose daring matched their circumspection demonstrated to the world that internal and external freedom require each other. Freedom can only be preserved if it is linked with the readiness to defend it both internally and externally.

Precisely that is the purpose of the Alliance in which we are united, the purpose of Atlantic partnership, to which we again committed ourselves during your visit to Brussels a few weeks ago, Mr. President.

But we should not content ourselves with defending our own freedom, our own prosperity. We cannot tolerate a situation in which the dignity of man is the privilege of but a few nations whilst the majority sink in hunger and misery.

In the year 2000, the world population will be 7,000 million. Even now, agricultural production can hardly keep pace with population growth. And as the population grows, so too do the import requirements of the developing countries, very many of whom are the poorest nations on Earth. If social development in the Third World is not to get completely out of control, some 300 million new jobs will have to be created there by 1980. But these countries have not the resources to be able to achieve this by themselves. They have to be helped. But this objective can only be attained through sacrifices and imagination.

This is where the members of the Atlantic Alliance are called upon to make a big, joint effort. If anything can fill us with the courage to face this problem squarely and coolheadedly, it is that belief in the inalienable dignity and freedom of man which inspired the founders of this mighty Republic 200 years ago.

For the American democracy is old, but its message is eternally young and great—like this country, the United States of America.

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Address Before a Conference of the National Federation of Independent Business. *June 17, 1975*

Thank you very much, Wilson Johnson. Members and guests of the National Federation of Independent Business:

I welcome the opportunity to be here today and I thank you for your more than generous welcome. I appreciate the opportunity to exchange some views

and some feelings with this very distinguished cross-section of what has come to be known as the small business community.

Personally, I have always been a little amused by the term "small businessman." A few years ago, after a meeting like this, I asked one of the speakers what his definition of a big businessman would be. He said, "Congressman, it's very simple. A big businessman is what a small businessman would be if the Government would ever let him alone!" [*Laughter*]

I want small business to grow. America's future depends upon your enterprise.

I want small business released from the shackles of Federal redtape. Your tremendous efforts are stifled by unnecessary, unfair, and unclear rules and regulations.

I want very desperately to have small business freed from the excessive Federal paperwork. Your time can be used far more productively, and you know it better than I.

In the months ahead, we face a very critical choice: Shall business and government work together in a free economy for the betterment of all? Or shall we slide headlong into an economy whose vital decisions are made by politicians while the private sector dries up and shrivels away?

My resources as your President and my resolve as your President are devoted to the free enterprise system.

Let me assure you without equivocation, I do not intend to celebrate our Bicentennial by reversing the great principles on which the United States was founded.

The increasing growth of government and the escalating interventions with which you are all too familiar dramatize the need to keep Federal authority within reasonable bounds.

I see a direct connection between the spirit of the American Constitution and a competitive, privately oriented economy.

In the last few years, the estimated 10 million businesses in America—from mom and pop stores to huge corporations—have struggled to adapt to consumer protection laws, to environmental mandates, to energy shortages, to inflation, to recession, and to complicated and high taxation.

Depending on their size and resources, some businesses can survive over-regulation better than others. Larger corporations have specialized staffs of accountants and attorneys. Small businessmen and small businesswomen have nobody but themselves.

Businesses, both large and small, look with dismay at the fantastic pace of Federal spending. They foresee an end to the individual initiative in American

life, a government turned into an instrument of philanthropic collectivism, a legislative redistribution of wealth and income, and the prospect of productive citizens required by law to support a growing number of nonproductive citizens.

If that day ever comes, the foundation of our free society will be gone. The America you and I know, the America that you and I love will be no more.

I can assure you I will do, as President, everything to curtail such centralization in Washington, as well as elsewhere, and such rigidity in government.

I will continue to use my veto power to stem the escalation of Federal programs and agencies.

A responsible society must do for certain individuals what they cannot achieve alone. But that is a far cry from the runaway spending that confines government to no boundary, that undermines individual initiative, that penalizes hard work and excellence, and that destroys the balance between the private and public sector of American life.

It took Americans over 180 years to reach our \$100 billion Federal budget. Nine years later, in 1971, the budget rose to \$200 billion. This year, it will go far over \$300 billion. And within just 2 more years, at the present rate of spending, the budget will exceed \$400 billion.

From my travels around America, from my meetings with citizens from all walks of life, I can say this with conviction: Americans have not arrived at a popular consensus for collectivism.

We have held no referendum to repeal our economic freedom. Quite the opposite is true. Americans are proud of our system and pleased with what it has produced.

Yet, if we continue to bigger and bigger government, Washington will become the big daddy of all citizens. If the power to tax goes unchecked, it will inhibit capital formation for business and incentive for workers. And we can say goodbye to the free enterprise system that has given us so much.

I am extremely pleased to be here today, because you are the frontline in the very crucial struggle to preserve the private sector. Actually, you are protecting a society that still cherishes excellence and still values freedom.

You are painfully aware that a government big enough to give us everything we want is a government big enough to take from us everything we have.

I do not accept a scenario of doom and defeat. We have just begun to fight for a new balance between the public and private elements of our society.

It is the determined intention of this Administration to review every single proposal for Government action—whether in taxation or regulations or in any

other area—in light of what it will do to free competition and individual liberty.

This review will apply equally, across the board, to corporations that seek special anticompetitive and monopolistic advantages from the Government as well as to radical social theories that would collectivize American society and American life.

Those who express disdain for profits and distaste for free competition propose nothing in their stead. American achievement under the free enterprise system remains the envy of the world. I intend to do what I can to keep it that way for the benefit of future generations.

Difficulties sometimes accompany advantages in any system where individual freedom of choice and action prevail. There are tests of survival by the free marketplace as a consequence. There are bankruptcies. There are spells of unemployment. There are periods of rapid change and temporary slowdown. Nevertheless, the march toward a better life and expanded freedom has continued in America for 200 years.

I see small business as the bulwark of free enterprise. You offer opportunity to young people. Their ideas can get to the boss quicker. Their efforts are more rapidly recognized—and rewarded. And they can realistically work toward the day when they will start their own business. Young men and women can take their fate into their own hands and make their own future. They will find small business the very best training grounds for leadership, for responsibility, and for independence.

Your businesses—and there are many, many more besides those represented here—are vital to America's future. You account for 43 percent of the gross business product. You provide 51 percent of the private sector's labor force.

For America's sake, the present and future, I want you to succeed.

To restore a healthy business climate throughout America, to fight recession, and to curtail inflation, I have started a process of regulation reform. The time has come to cut Federal redtape that binds the hands of small business.

Let me share some memories from my own personal background. My father started a small business, the Ford Paint and Varnish Company in Grand Rapids, Michigan, a good many years ago. A few weeks after he went into business, the economic crash of 1929 struck. My father persevered to keep our little family paint factory going. As a youth, I mixed paint and labeled cans. But he sold the paint. And he was his own bill collector. Let me say, if my father had to fill out today's forms and comply with the maze of rules and regulations now in effect, he would have had no time left to sell paint or collect bills.

When I think of the enterprising spirit that makes America great, I think of my father and how the Ford Paint and Varnish Company survived in the 1930's. And believe me, it wasn't easy.

Although most of today's regulations affecting business are well-intentioned, their effect—whether designed to protect the environment or the consumer—often does more harm than good. They can stifle the growth in our standard of living and contribute to inflation.

When we consider revisions in these regulations, we must consider the case of those who may be injured by regulatory modifications. Our system can and will make needed changes which are fair to all. Obviously, we cannot eliminate all regulations. Some are costly but essential to public health and public safety.

But let us evaluate the costs as well as the benefits. The issue is not whether we want to control pollution. We all do. The question is whether added costs to the public make sense when measured against actual benefits.

As a consumer, I want to know how much the tab at the front-door checkout counter is raised through the back door of regulatory inflation. As President, I want to eliminate unnecessary regulations which impose a hidden tax on the consumer.

Over a period of some 90 years, we have erected a massive Federal regulatory structure encrusted with contradictions, excesses, and rules that have outlived any conceivable value.

Last Friday I met with the leaders of the Congress—House and Senate, Democratic as well as Republican—to seek cooperation in eliminating regulations which do more harm than good. I will meet next week with Members designated by the Congress to establish legislative priorities. Then I will meet with the Commissioners of the 10 independent regulatory agencies on the need to improve their regulations and their procedures.

I have set up a special White House group to work with the Congress and the regulatory agencies to accomplish this long overdue and highly desirable objective. Particular emphasis will be placed on the impact of Federal regulations on a free economy and on the life of the individual citizen.

In recent months, I have submitted a railroad revitalization act, the financial institutions act, and the energy independence act. I have supported legislation to remove the antitrust exemptions from State fair trade laws and signed the Securities Acts Amendments of 1975. Also, I have asked the Congress to establish a national commission on regulatory reform.

These actions respond to the need for real economic growth. Real growth, as

you know, as I know, depends upon productivity. We must free the business community from regulatory bondage so that it can produce.

And I say to the businesses represented here today: I hear your cries of anguish and desperation. I will not let you suffocate.

My deep personal concern is not only for the consumer and the producer but for the millions whose employment depends upon your enterprise.

I want an end to unnecessary, unfair, unclear regulations and needless paperwork. The number—this is hard to believe, really—the number of different Federal forms sent out from Washington at last count totaled 5,146. Quite frankly, America is being buried by an avalanche of paper.

The Congress has created a Federal Paperwork Commission to simplify, to reduce the enormous clog of Federal forms and Federal documents. Today I am appointing the members of this Commission.¹ Its membership will include the secretary of your own organization, the National Federation of Independent Business, to represent your interests. I refer, of course, to your good friend Bruce Fielding of California.

I am also appointing to this group other outstanding members, including representatives of State and local government, labor, education, and consumer interests. But I think Mr. Fielding will well and faithfully carry out your representation.

Despite the handicaps, small business has made tremendous strides. Let's work together for an even greater future. And I ask for your suggestions, yes, your criticism. My door is always open to people who are strong, visionary, like yourselves.

I am delighted to learn of the latest quarterly survey just prepared by your federation's research experts. It reports that small business has a sense of optimism for the coming 6-month period. Since small business has such a stabilizing influence on recession, I think this is a good sign for all Americans.

The worst recession since the 1930's is coming to an end. There are good signs, and let me tick them off quickly for you:

- Consumer confidence is up, and retail sales are increasing.
- Sales rose 2.2 percent in May.
- Inventories are down.
- Employment went up by 553,000 between March and May.

¹ On the same day, the White House released an announcement of the appointment of the members of the Commission on Federal Paperwork. The announcement is printed in the *Weekly Compilation of Presidential Documents* (vol. 11, p. 643).

- The inflation rate is continuing to fall. This year's rate is down from last year's 12 percent to about 6 percent.
- Interest rates are down.
- Housing is showing strong signs of recovery with a 21- to 27-percent increase in building permits in April, and I am told there will be some further encouraging statistics released later today.
- Orders for plant and equipment in April were up more than 15 percent over March.
- Altogether, the Department of Commerce leading indicators were up 4.2 percent in April.

Obviously, some indicators will continue to be depressed for a few months because they record only what is past. But I am confident that we are at the bottom of the economic slide. And we will soon be on our way up.

Now is the time, as I see it, to chart the right path back to prosperity without inflation and with real economic growth. Sound economic recovery depends upon moderation and economic expectation, fiscal restraint by the Government, increased savings in capital investment, and a long-range plan for our energy independence as well as improved regulatory policies.

Small business knows that the old-time virtues must temper the tendency of our Government to do all things for all humanity. This desire has resulted in Federal deficits in 13 of the last 15 years.

Our national focus has been on recovery, but we must make sure, we must be positive that the recovery now in sight is not accompanied by a new round of higher and higher inflation.

I have confidence, great confidence in our economic future because I have great faith in the American people.

I assure each of you here today: Although your business may be small, I will do my part to help each and every one of you make it big by getting government off your back.

Thank you very much.

NOTE: The President spoke at 10:04 a.m. in the International Ballroom at the Washington Hilton Hotel. He was introduced by Wilson S. Johnson, president of the organization.

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Message to the Congress Transmitting Annual Report of the National Advisory Council on Extension and Continuing Education. June 18, 1975

To the Congress of the United States:

I herewith transmit the Ninth Annual Report of the National Advisory Council on Extension and Continuing Education. The Council is authorized by P.L. 89-329.

The Council this year recommends a number of legislative changes in Title I and Title IV of the Higher Education Act. I know that the Congress will want to discuss these recommendations further with the Department of Health, Education, and Welfare and the Commissioner of Education who would have responsibility for implementing any changes in the statute.

This report provides a perspective and recommendations which are, of course, limited to the particular field of Title I of the Higher Education Act and the subject of continuing education. They do not reflect the Administration's policies which must be formed in the context of a comprehensive review of the total Federal role in education and other competing fields.

I appreciate the Council's concern with its special responsibility in helping to relate better the world of education to the world of work. I shall await with interest the Council's further thoughts in that regard.

GERALD R. FORD

The White House,
June 18, 1975.

NOTE: The report is entitled "Equity of Access: Continuing Education and the Part-Time Student—Ninth Annual Report, National Advisory Council

on Extension and Continuing Education" (Government Printing Office, 70 pp.).

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Remarks on Greeting High School Students From Kalamazoo, Michigan. June 18, 1975

Congressman Brown, Dave, and the members—130 of you, as I understand it—of the Loy Norrix orchestra and choir:

I welcome you all, along with your chaperones, here on the grounds of the White House in the famous Rose Garden.

I understand that you have been cited by the Michigan State Legislature for your contribution to the Bicentennial. And the recordings that you have made here of some 14 songs are especially recognized by the State legislature. Let me congratulate you for that.

But I am also awfully pleased to see you down here in the custody of my good friend, Garry Brown, who I served with for a good many years in the Congress. You know, Grand Rapids is not very far from Kalamazoo—as a matter of fact, I used to court a girl down there. We don't talk about it up in the residence here. [*Laughter*]

Nevertheless, I used to go down there and have some wonderful times; had some other good friends, some of you may remember them—I am sure Garry does—the Everhardis brothers. Do any of you remember that famous football name? Herm and Chris Everhardis were good friends of mine and teammates.

I think the main point I would like to make here on this occasion—you are already a part of the Bicentennial by the fact that you have made a contribution, you have been cited by the State legislature, and you are down here as an official representative of the State of Michigan for the Bicentennial kickoff.

What does the Bicentennial really mean other than the fact that it is a 200th anniversary? I think you can phrase it this way: We will be 200 years old next year. As we look back on the history of our country, the first 100 years our forefathers made a maximum effort to establish a free government in this country, and they did, through hardship and privation, vision and imagination.

The second hundred years of the history of America was aimed at building a strong industrial society so we could all live better in a material way and we could have an influence and impact throughout the world as a whole.

What do we want in the third century of America? Because although it is a recognition of a 200-year period, what we really have to think about is what we want for America in the next hundred years.

Here are some thoughts that I have on that subject. We have established a free government. We have built a strong base so we can have many more things in a material way than anybody else in the world.

What we have to use as our objective in the third century is the freedom of the individual—freedom from mass government, freedom from mass industry, freedom from mass education. We want people to be free in our society so that each of you in your own way can develop your personality, your aims, and your ambitions.

There are many other things that we can talk about, but freedom from mass government at the local, State, or Federal level, freedom from mass industry,

where you are just an automatic cog in a production line, freedom from everybody being educated precisely the same way. We want the individual free—and that is all of you—in our third century of America.

Congratulations, and thank you.

NOTE: The President spoke at 12:32 p.m. in the Rose Garden at the White House to members of the Loy Norrix High School choir and orchestra. In his opening remarks, he referred to David Schmiede,

student president of the choir, who presented the President with an album recorded by the choir and orchestra.

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Statement on the Establishment of the President's Commission on Olympic Sports. *June 19, 1975*

AMERICA has a special interest in its representation in the Olympic games and other international athletic competitions. As we mark our Bicentennial, nothing would be more fitting to our celebrations than to be represented by our finest amateur athletes on the Olympic fields.

The Federal Government has never attempted to direct amateur athletics in this country, nor should it. However, the Government does have a role in helping to promote United States competition in international sporting events.

America's best amateur athletes can represent us in the Olympics only if the federally chartered United States Olympic Committee and related organizations are sufficiently organized to recruit, screen, and develop the athletes on our teams. In the past, rivalries among amateur sports organizations have sometimes fragmented our international sports efforts, hindered opportunity for our athletes to develop their skills fully, and restrained voluntary financial support for our Olympic teams as well as other amateur sports teams engaged in international competitions.

In an effort to address the particular problem of each sport, the private sector has created multitudinous sports organizations and federations. Now the jurisdictional boundaries of each has become so complicated that it has become virtually impossible to address a particular problem without internecine disputes. It is through the Commission which I am establishing today that we hope to find direction in this quagmire. It is desirable and appropriate that a Commission of outstanding, knowledgeable Americans, representing the President of the United States, undertake an immediate study of our Nation's problems in Olympic sports.

Today, by Executive order [11868], I am establishing the President's Com-

mission on Olympic Sports. The Commission shall determine what factors impede or prevent the United States from fielding its best amateur athletes for participation in the Olympic games and other international amateur sporting events. The Commission will study methods of financing our athletic teams which compete in Olympic sports. Special emphasis will be placed on organizational structure of Olympic sports, including the U.S. Olympic Committee and the individual sports federations.

Because many Members of Congress have shown great interest in the problems confronting amateur athletics, I have asked the Speaker of the House and the President of the Senate to appoint two Members each who have a special interest in this matter to serve as members of the Commission. In the same spirit, I urge that the Congress defer action on related legislation until the Commission findings are available.

I ask Members of Congress, members of the sports federations, athletes, and the American public to lend their full support to the Commission so that our Olympic efforts can reflect our country's pride in its Bicentennial representation in the approaching 1976 Olympiad and all future international competitions.

NOTE: On the same day, the White House released an announcement of the appointment of the Chairman and members of the Commission. The an-

nouncement is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 649).

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Remarks on Greeting Participants in the National Teen-Age Republican Leadership Conference. *June 19, 1975*

LET ME welcome all of you in the Rose Garden here at the White House. I am very impressed with the 200, or thereabouts, representatives of the TAR's.

I like that enthusiasm that comes from some 8,000 chapters or groups, and all of you representing about 130,000 members. I hope that this week in Washington has been a good learning experience.

With all of the Congressional talent that you have listened to from both the House and the Senate, I am certain that you will very definitely go from Washington with a lot of fresh ideas and various suggestions and campaign ideas that you will have for the 1976 program.

But this learning experience reminds me somewhat of a learning experience our 19-year-old son, Steve, has had.

This past week, he has been out in California taking some instruction from

one of the great bronco riders and learning a bit about how to handle a bronco. We talked to him a couple times, and I can assure you he has had quite an experience, a real learning experience.

Now, there may not appear to you to be too much of a connection between your learning experience here and what Steve is going through out in California. But, I think a bronco is something that kicks and bucks, twists and turns, and very seldom goes in one direction very long. We have one of those things here in Washington. It is called the Congress. [*Laughter*]

Let me say to all of you that the 13 times that I ran for Congress in the Fifth Congressional District of Michigan, I repeatedly relied on the TAR's in many, many areas—for example, in helping to organize a political function, in helping to make those political functions work and work effectively.

I know the TAR's have done a lot of babysitting while voters went to the polls and cast their ballot. I know that the TAR's have made a massive effort in many, many cases, getting people to the polls in one way or another, so they could exercise their franchise to pick and choose the person or persons that they wanted to support.

In addition, the TAR's have done a first-class job, from my personal experience, in trying to show concern for the sick, the elderly, and those who were going through one hardship or another.

TAR's have shown a great concern for our problems in the field of energy, for the environment. TAR's have had a very effective effort in dealing on a person-to-person basis with people in their part of the country or in their particular community.

And this person-to-person relationship, young people to older people, is one way of convincing voters in America that the Republican Party has a concern, has a relationship to them and what is good for our country.

We have some serious problems. We have the problem of trying to maintain fiscal responsibility in the Federal Government. The Republican Party is trying to put a lid on irresponsible spending by the Congress. The Republican Party is trying to develop an energy program that will be meaningful in conserving energy and stimulating new domestic production in this country.

The Republican Party is submitting to the Congress today a very important crime proposal, with an emphasis on returning domestic tranquillity to our society in all 50 States. The crime message, which I am sending to the Congress today, will have a primary emphasis on the victims of crime and the potential victims of crime. We should be concerned about them, and in order to do that, we have to deal strongly with the people that commit crimes.

The Republican Party has a good program, a fine foreign policy, a good domestic policy that will be effective in the 1976 elections.

I know this is the seventh annual get-together of a TAR group. I hope you will have an even bigger get-together in 1976, because this group—TAR's from all over the country—can make a very meaningful effort in winning the election in 1976.

I thank you.

NOTE: The President spoke at 12:45 p.m. in the Rose Garden at the White House.

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Remarks at a News Briefing on the Special Message to the Congress on Crime. *June 19, 1975*

Mr. Attorney General:

Two months ago, at Yale University Law School, I spoke about a subject that touches the lives of all Americans—crime. Today, I am sending to the Congress a special message spelling out in concrete terms the program for curbing crime and insuring domestic tranquillity, which I advocated in that speech.

First and foremost, our effort should be directed toward the protection of law-abiding citizens. For too long, the law has centered its attention more on the rights of the criminal than on the victim of crime. It is high time that we reverse this trend and put the highest priority on the victims and potential victims.

Even though the chief responsibility in combating crime lies with State and local officials, the Federal Government can provide leadership. It can improve the quality of existing Federal laws and the Federal judicial system. It can enact and vigorously enforce new laws governing criminal conduct at the Federal level, and it can provide financial and technical assistance to State and local governments in their efforts to stem lawlessness.

For example, I propose that the Congress enact mandatory prison sentences for Federal offenses committed with firearms or other dangerous weapons, and for hijackers, kidnapers, traffickers in hard drugs, and repeated Federal offenders who commit crimes of violence. I urge State and local authorities to take similar steps.

I am unalterably opposed to Federal registration of guns or gun owners. I do propose that the Congress enact legislation to deal with those who use hand-

guns for criminal purposes. I also propose further Federal restrictions on so-called Saturday night specials.

We can and must make our legal system what it was always intended—a means of insuring domestic tranquillity and making America safe for decent and law-abiding citizens.

This is a matter of deep, personal concern to all Americans. So, I urge the Congress to reflect this concern for the victims of crime by acting on this message in a prompt, positive, and nonpartisan spirit.

To provide more details concerning the message and the program that we have put together, I will now ask the Attorney General, Mr. Edward Levi, to fill you in on the details.

Thank you very, very much.

NOTE: The President spoke at 3:32 p.m. to reporters assembled in the Briefing Room at the White House.

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Special Message to the Congress on Crime.

June 19, 1975

To the Congress of the United States:

I address this message to the Congress on a subject that touches the lives of all Americans: crime.

Two months ago, at the celebration of the 150th anniversary of the Yale Law School, I spoke about law and respect for the spirit of the law.

Law makes human society possible. It pledges safety to every member so that the company of fellow human beings can be a blessing instead of a threat. It is the instrument through which we seek to fulfill the promise of our Constitution: “to insure domestic tranquility.”

But America has been far from successful in dealing with the sort of crime that obsesses America day and night—I mean street crime, crime that invades our neighborhoods and our homes—murders, robberies, rapes, muggings, hold-ups, breakins—the kind of brutal violence that makes us fearful of strangers and afraid to go out at night.

I sense, and I think the American people sense, that we are facing a basic and very serious problem of disregard for the law. Because of crime in our streets and in our homes, we do not have domestic tranquility.

Ever since the first Presidential message on crime, in 1965, strenuous Federal efforts, as well as State and local initiatives, have been undertaken to

reduce the incidence of crime in the United States. Yet, throughout this period, crime has continued to increase. Indeed, the Federal Bureau of Investigation's latest estimates are that the rate of serious crime—murder, forcible rape, robbery, aggravated assault, burglary, larceny and auto theft—was 17 percent higher in 1974 than in 1973. This is the largest increase in the 44 years the Bureau has been collecting statistics.

Since 1960, although billions of dollars have been spent on law enforcement programs, the crime rate has more than doubled. Moreover, these figures reflect only the reported crimes. A study of unreported crime sponsored by the Law Enforcement Assistance Administration indicates that the actual level of crime in some cities is three to five times greater than that reported.

More significantly, the number of crimes involving threats of violence or actual violence has increased. And the number of violent crimes in which the perpetrator and the victim are strangers has also increased. A recent study indicates that approximately 65 percent of all violent crimes are committed against strangers.

The personal and social toll that crime exacts from our citizens is enormous. In addition to the direct damage to victims of crime, violent crimes in our streets and in our homes make fear pervasive.

In many areas of the country, especially in the most crowded parts of the inner cities, fear has caused people to rearrange their daily lives. They plan shopping and recreation during hours when they think the possibilities of violent attacks are lower. They avoid commercial areas and public transit. Frightened shopowners arm themselves and view customers with suspicion.

The individual, political and social costs of crime cannot be ignored. They demand our attention and coordinated action. With the firm support of the American people, all levels of government—Federal, State and local—*must* commit themselves to the goal of reducing crime.

For too long, law has centered its attention more on the rights of the criminal defendant than on the victim of crime. It is time for law to concern itself more with the rights of the people it exists to protect.

In thinking about this problem, I do not seek vindictive punishment of the criminal, but protection of the innocent victim. The victims are my primary concern. That is why I do not talk about law and order and why I turn to the Constitutional guarantee of domestic tranquility. The emphasis in our efforts must be providing protection for the victims of crime.

In this message, I shall address myself to what I believe the Federal government can and should do to reduce crime. The fact is, however, that the Fed-

eral role in the fight against crime, particularly violent crime, is a limited one.

With few exceptions, the kinds of crime that obsess America—murders, robberies, rapes, muggings, hold-ups, breakins—are solely within the jurisdiction of State and local governments. Thus, while the programs that I will propose in this message will, if enacted, contribute to a safer America, the level of crime will not be substantially reduced unless State and local governments themselves enact strong measures.

I see three ways in which the Federal government can play an important role in combating crime:

First, it can provide leadership to State and local governments by enacting a criminal code that can serve as a model for other jurisdictions to follow and by improving the quality of the Federal criminal justice system.

Second, it can enact and vigorously enforce laws covering criminal conduct within the Federal jurisdiction that cannot be adequately regulated at the State or local level.

Third, it can provide financial and technical assistance to State and local governments and law enforcement agencies, and thereby enhance their ability to enforce the law.

I. PROVIDING LEADERSHIP

Law Enforcement in a democratic society depends largely upon public respect for the laws and voluntary compliance with them. We do not have and do not want a police state. Respect and compliance are undermined if individuals conclude that law enforcement efforts are ineffective and that crimes may be committed with impunity—conclusions which are buttressed by rapidly rising crime rates and by statistics showing only one arrest for every five serious crimes committed.

A decline in respect for the law leads to the commission of more crimes. The necessity to investigate these additional crimes, prosecute those accused, and punish those convicted places even greater strain on the already overburdened capacities of police, prosecutors, public defenders, courts, penal institutions and correctional authorities. As a consequence, the percentage of offenders apprehended, prosecuted and appropriately sentenced is further reduced. This leads to an even greater decline in respect for the law and to the commission of even more crimes. To succeed in the effort to reduce crime, we must break this spiral.

There are two direct ways to attack the spiral of crime. One is through im-

provements in the law itself. The other is through improvement of the criminal justice system so that it functions more swiftly, surely and justly.

Federal criminal laws should be a model upon which State and local governments can pattern their own laws. At the present time, they are not. These Federal statutes developed haphazardly over the decades. They have been revised here and there in response to changing judicial interpretation. They are complicated, and sometimes conflicting, leaving gaps through which criminal activity too often slips unpunished. Because of their complexity, the laws invite technical arguments that waste court time without ever going to the heart of the question of the accused's guilt or innocence.

For several years, the Federal government has engaged in a massive effort to reform the Federal criminal laws into a uniform, coherent code. The product of this effort was recently introduced in Congress, with wide bipartisan support, as S. 1, the "Criminal Justice Reform Act of 1975."

Since it covers every aspect of criminal law, some of the proposals in this Act have stirred controversy and will undoubtedly precipitate further debate. For instance, concern has been expressed that certain provisions of the bill designed to protect classified information could adversely affect freedom of the press. While we must make sure that national security secrets are protected by law, we must also take care that the law does not unreasonably restrict the free flow of information necessary to our form of government. Responsible debate over this and other provisions of S. 1 will be very useful. Issues can be clarified and differing interests accommodated.

I think everyone will agree, however, that comprehensive reform of the Federal criminal code is needed. Accordingly, as a legislative priority in the Federal effort against crime, I urge the 94th Congress to pass the kind of comprehensive code reform embodied in the Criminal Justice Reform Act.

In connection with this overall effort, let me suggest some specific reforms I believe essential.

The sentencing provisions of current Federal law are, in my judgment, inadequate in several respects, often erratic and inconsistent. Defendants who commit similar offenses may receive widely varying sentences. This lack of uniformity is profoundly unfair and breeds disrespect for the law.

The revision of the criminal code should restore a sense of consistency in sentencing, so that the fine or term of imprisonment imposed by the law relates directly to the gravity of the offense. For example, criminal fines are woefully inadequate and provide little deterrence to offenders whose business *is* crime—a business profitable enough to support current levels of criminal fines

as an ordinary business expense. Other than under the antitrust laws, the maximum fine which can be imposed on serious violators is usually \$10,000. That amount is too often not commensurate with the crime. The maximum level should be increased to \$100,000, if the defendant is an individual, and \$500,000, if the defendant is an organization.

The sentencing provisions of the proposed code should be modified to provide judges with standards under which prison sentences are to be imposed upon conviction. Imprisonment too seldom follows conviction, even for serious offenses. It is my firm belief that persons convicted of violent crime should be sent to prison. Those who prey on others, especially by violence, are very few in number. A small percentage of the entire population accounts for a very large proportion of the vicious crimes committed. Most serious crimes are committed by repeaters. These relatively few persistent criminals who cause so much worry and fear are the core of the problem. The rest of the American people have a right to protection from their violence.

Most of the victims of violent crimes are the poor, the old, the young, the disadvantaged minorities, the people who live in the most crowded parts of our cities, the most defenseless. These victims have a valid claim on the rest of society for protection and personal safety that they cannot provide for themselves; in a phrase, for domestic tranquility.

Imprisonment too seldom follows conviction for a felony. In the 1960's, crime rates went higher, but the number of criminals in prison, state and federal, actually went down. A study of one major jurisdiction showed that of all convicted robbers with a major prison record, only 27% were sent to prison after conviction.

There should be no doubt in the minds of those who commit violent crimes—especially crimes involving harm to others—that they will be sent to prison if convicted under legal processes that are fair, prompt and certain.

I propose that incarceration be made mandatory for (1) offenders who commit offenses under Federal jurisdiction using a dangerous weapon; (2) persons committing such extraordinarily serious crimes as aircraft hijacking, kidnapping, and trafficking in hard drugs; and (3) repeat offenders who commit Federal crimes—with or without a weapon—that cause or have a potential to cause personal injury. Exceptions to mandatory imprisonment should apply only if the judge finds and specifies in writing one or more of the following: that the defendant was under 18 when the offense was committed, or was mentally impaired, or was acting under substantial duress, or was implicated in a crime actually committed by others and participated in the crime only in a very

minor way. I have asked the Attorney General to assist the Congress in drafting this modification to the sentencing provisions of S. 1. Since most violent crime is in the jurisdiction of State and local criminal courts, I call upon the States to establish similar mandatory sentencing systems. Too many persons found guilty of serious, violent crimes never spend a day in prison after conviction.

I would emphasize that the aim of this program of mandatory imprisonment is not vindictive punishment of the criminal, but protection of the innocent victim by separating the violent criminal from the community. These victims—most of whom are old or poor or disadvantaged—have a valid claim on the rest of society for the protection and the personal safety that they cannot provide for themselves.

Reasonable mandatory minimum sentences can restore the sense of certainty of imprisonment upon which the deterrent impact of criminal law is based. Mandatory sentences need not be long sentences; the range of indeterminacy need not be great. In fact, wide disparities in sentences for essentially equivalent offenses give a look of unfairness to the law. To help eliminate that unfairness, Federal appeals courts should be given some authority to review sentences given by Federal trial court judges—to increase or reduce them so that the punishments will be more nearly uniform throughout the Federal system. I am also asking the Attorney General to review this problem to ensure that the Federal sentencing structure, which is now based on the indeterminate sentence, is both fair and appropriate. Among other things, it may be time to give serious study to the concept of so-called “flat time sentencing” in the Federal law.

In addition to reform of the criminal law, we must improve the manner in which our criminal justice system operates. Effective deterrence to law-breaking is currently lacking, in part because our criminal justice system simply does not operate effectively.

A logical place to begin discussion of such improvement is the prosecutor's office, for it is there that important decisions are made as to which offenders should be prosecuted, what cases should be brought to trial, when plea bargains should be struck and how scarce judicial resources should be allocated. Many prosecutors' offices currently lack the manpower or management devices to make those decisions correctly. Prosecutors often lack information on a defendant's criminal history and thus cannot identify habitual criminals who should be tried by experienced prosecutors and, if convicted, sent to prison. In too many cases, they lack efficient systems to monitor the status of the numerous cases they handle. If improved management techniques could be made available

to prosecutors, the likelihood of swift and sure punishment for crime would be substantially increased.

At the Federal level, last September I directed the Department of Justice to develop and implement a program to deal with career criminals, with the objectives of (1) providing quick identification of persons who repeatedly commit serious offenses, (2) according priority to their prosecution by the most experienced prosecutors, and (3) assuring that, if convicted, they receive appropriate sentences to prevent them from immediately returning to society once again to victimize the community.

Programs to deal with habitual criminals will be encouraged at the State and local levels through the use of the Law Enforcement Assistance Administration model programs and discretionary grants already underway.

To illustrate the nature of this problem, let me point out that in one city over 60 rapes, more than 200 burglaries and 14 murders were committed by only 10 persons in less than 12 months. Unfortunately, this example is not unique.

The results of a repeat offender project recently launched in the Bronx County District Attorney's Office, City of New York, are hopeful. The first year's experience showed a 97 percent felony conviction rate and a reduction of time in case disposition from an average of 24 months to an average of three months. In addition, prison sentences resulted in 95 percent of the career criminal cases prosecuted.

A second improvement in the criminal justice system may be obtained by diverting certain first offenders—not all, but some—into rehabilitation programs before proceeding to trial. The Department of Justice has begun a pilot program of this kind designed to achieve two important goals. First, it will seek to reduce the caseloads of Federal courts and prosecutors through expeditious treatment of offenders who are good prospects for rehabilitation. Second, it will seek to enable the offenders who successfully satisfy the requirements of the diversion programs to avoid criminal records and thus increase the likelihood that they will return to productive lives.

Experimentation with pretrial diversion programs should continue and expand. However, careful efforts must be taken to prevent these programs from either treating serious offenders too leniently, or, on the other hand, violating defendants' rights. By coupling this pretrial diversion program with a mandatory term of imprisonment for violent offenders, we will make sure that offenders who deserve to go to prison will go to prison. At the same time, those who may not need imprisonment will be dealt with quickly and in a way that minimizes the burden on the criminal justice system.

The criminal and civil caseloads in trial and in appellate courts have grown over the years, while the number of judges assigned to handle those cases has not kept pace. In 1972, the Judicial Conference of the United States recommended the creation of 51 additional Federal District Court judgeships in 33 separate judicial districts across the country. Senate hearings on legislation incorporating this proposal were conducted in 1973. To date, however, the legislation has not been scheduled for floor action. The increasing needs of the Federal courts make this measure an urgent national necessity of a nonpartisan nature—for justice delayed is too often justice denied. In addition, seemingly technical but important reform in the Federal criminal justice system can be achieved by expanding the criminal jurisdiction of United States Magistrates. This reform will enable the relatively small number of Federal judges to focus their efforts on the most significant criminal cases. The Criminal Justice Reform Act contains a provision that will achieve that result, and I am giving it my specific support.

When a defendant is convicted, even for a violent crime, judges are too often unwilling to impose prison sentence, in part because they consider prison conditions inhumane. Moreover, a cruel and dehumanizing penal institution can actually be a breeding ground for criminality. In any case, a civilized society that seeks to diminish violence in its midst cannot condone prisons where murder, vicious assault and homosexual rapes are common occurrences.

The Federal Bureau of Prisons has embarked on a program to replace large, outdated prisons with smaller, more modern ones. The Bureau has seven new corrections institutions of this sort under construction. All are designed to be civilized places that can be governed effectively by the wardens and correctional officers rather than by the most brutal and inhuman prisoners. In addition, the Bureau is opening new institutions in three major cities to replace overcrowded, antiquated local jails which formerly housed Federal prisoners awaiting trial. The program to improve Federal prisons must be paralleled by State efforts, because the problem of decrepit prison facilities that are hothouses of crime is worst at the State and local level. Unless prisons are improved, many judges will only reluctantly commit convicted offenders to them, even if they are guilty of serious crimes and have previous criminal records.

I know that grave questions have been raised by qualified experts about the ability of the corrections system to rehabilitate offenders. These are important and serious questions. They go to the very heart of the corrections system. While the problem of criminal rehabilitation is difficult, we must not give up on our efforts to achieve it, especially in dealing with youthful offenders. Crime by

young people represents a large part of crime in general. The 1973 statistics indicate that 45 percent of persons arrested for all crimes are under 18 years of age. Whatever the difficulty, we must continue our efforts to rehabilitate offenders, especially youthful offenders. To do less would be to write off great numbers of young people as unsalvageable before they have even come of age. I have directed the Attorney General, as Chairman of the Cabinet Committee on Crime Prevention and Rehabilitation, to work in close cooperation with the Secretary of Labor, the Secretary of Health, Education, and Welfare and other concerned agencies of the Executive Branch to ensure that the Federal government is making the best possible use of its resources in this crucial area.

Whatever the corrections system might accomplish in rehabilitating offenders while they are in prison will be lost if the individual leaves prison and cannot find a job, simply because he has been convicted of a crime. I urge employers to keep an open mind on the hiring of persons formerly convicted of crimes. The U.S. Civil Service Commission currently administers a program designed to prevent Federal employers from unjustly discriminating against ex-felons. I am directing the Commission to review this program to ensure that it is accomplishing its objectives. I am also calling on the National Governors Conference to consider steps the States can take to eliminate unjustified discriminatory practices. Giving ex-offenders who have paid their penalty and seek to "go straight" a fair shake in the job market can be an effective means of reducing crime and improving our criminal justice system.

In addition to this general effort to reform and improve the criminal justice system, the Federal law should be specifically revised to take into greater account the needs of victims of crime. They, as well as the general public, must be made aware that the government will not neglect the law-abiding citizens whose cooperation and efforts are crucial to the effectiveness of law enforcement.

I urge the Congress to pass legislation to meet the uncompensated economic losses of victims of Federal crimes who suffer personal injury. In order to promote the concept of restitution within the criminal law, the monetary benefits should come from a fund consisting of fines paid by convicted Federal offenders.

II. BETTER LAWS AND ENFORCEMENT

As I pointed out initially, except in limited circumstances, street crime is a state and local law enforcement responsibility. There is a dimension to this problem, however, that cannot be adequately dealt with on just the state and local levels. Criminals with handguns have played a key role in the rise of

violent crime in America. Hundreds of policemen have been killed in the past decade through the use of handguns by criminals. The most effective way to combat the illicit use of handguns by criminals is to provide mandatory prison sentences for anyone who uses a gun in the commission of a crime.

In addition, the federal government can be of assistance to state and local enforcement efforts by prohibiting the manufacture of so-called Saturday Night Specials that have no apparent use other than against human beings and by improving Federal firearms laws and their enforcement.

At the same time, however, we must make certain that our efforts to regulate the illicit use of handguns do not infringe upon the rights of law abiding citizens. I am unalterably opposed to federal registration of guns or the licensing of gun owners. I will oppose any effort to impose such requirements as a matter of federal policy.

Nonetheless, we can take steps to further guard against the illicit use of handguns by criminals.

Current Federal gun laws should be revised to provide that only responsible *bona fide* gun dealers be permitted to obtain Federal licenses to engage in the business of selling firearms. Licenses to sell firearms should also be withheld from persons who have violated State laws, particularly firearms laws. Additional administrative controls over the sale of handguns, including a ban on multiple sales, will help to establish dealer responsibility in stopping illicit gun trafficking. A waiting period between the purchase and receipt of a handgun should be imposed to enable dealers to take reasonable steps to verify that handguns are not sold to persons whose possession of them would be illegal under Federal, State or applicable local laws.

Second, I have ordered the Treasury Department's Bureau of Alcohol, Tobacco and Firearms, which has primary responsibility for enforcing Federal firearms laws, to double its investigative efforts in the Nation's ten largest metropolitan areas. This action will assist local law enforcement authorities in controlling illegal commerce in weapons. I have directed, therefore, that the Bureau of Alcohol, Tobacco and Firearms employ and train an additional 500 investigators for this priority effort.

Third, the domestic manufacture, assembly or sale—as well as the importation—of cheap, highly concealable handguns should be prohibited. These so-called “*Saturday Night Specials*” are involved in an extraordinarily large number of street crimes. Most have no legitimate sporting purpose. They are such a threat to domestic tranquility that we should eliminate their manufacture and sale entirely.

These recommendations go to the very heart of the problem of handgun abuse. If enacted, they should add significantly to the efforts of State and local law enforcement authorities to prevent the criminal use of handguns.

There are several other areas in which Federal law and enforcement can be improved to strike at those who have made crime a business.

The leaders of organized crime can be prosecuted under current Federal law only when it can be shown that they participated in a specific offense, such as gambling, loan-sharking or narcotics. A reformed criminal code should strike directly at organized criminal activity by making it a Federal crime to operate or control a racketeering syndicate. This revision will make the criminal law apply to organized crime leaders who seek to conceal their role in the syndicate's criminal activities.

Since current Federal laws restrict the government's ability to attack consumer frauds, the statutes punishing fraud and theft should be revised to make Federal prosecution more effective. Pyramid sales schemes—clever confidence games, in other words—should be specifically prohibited. Federal jurisdiction over these frauds should be extended to enable the government to move against them on a nationwide basis.

The protection of constitutionally guaranteed civil rights is a primary duty of the Federal government. Yet, a private citizen can be punished for violating constitutional rights only if he acted in concert with others. Under current law, even if a State official intentionally commits acts that violate an individual's constitutional rights, proof of these acts alone may be insufficient to secure a conviction. Restrictions which prevent our laws from protecting the constitutional rights of Americans should be eliminated.

I am particularly concerned about the illegal trafficking in narcotics and dangerous drugs. These crimes victimize the entire Nation, bringing personal tragedy and family destruction to hundreds of thousands. In addition to the human toll, the property crimes committed to finance addicts' drug habits are estimated at \$15 billion each year.

Federal, State and local governments must continue their vigorous law enforcement efforts aimed at major traffickers in narcotics and dangerous drugs. This Administration is committed to maintaining a strong Federal Drug Enforcement Administration to provide leadership in this fight. At the same time, I continue to recognize our responsibility to provide compassionate treatment and rehabilitation programs for the hapless victim of narcotics traffickers.

Recent evidence suggests an increase in the availability and use of dangerous drugs in spite of the creation of special Federal agencies and massive Federal

funding during the past six years. I am deeply concerned over these developments and have, therefore, directed the Domestic Council to undertake a comprehensive review and assessment of the overall Federal drug abuse prevention, treatment and enforcement effort to ensure that our programs, policies and laws are appropriate and effective.

Finally, white-collar crime is taking an increasing toll in terms of financial and social costs. The United States Chamber of Commerce recently reported that in 1974 white-collar crime cost the public approximately \$40 billion, excluding the costs of price-fixing and industrial espionage. In addition to direct economic losses, white-collar crime can destroy confidence in and support for the nation's economic, legal and political institutions. In recognition of the gravity of the impact of white-collar crime, I have directed the Attorney General to undertake new initiatives to coordinate all Federal enforcement and prosecutorial efforts against white-collar crime.

III. PROVIDING FINANCIAL AND TECHNICAL ASSISTANCE

The Federal government must continue to help State and local governments in carrying out their law enforcement responsibilities. Therefore, I will submit to Congress a bill that will continue the Law Enforcement Assistance Administration through 1981.

The LEAA annually provides millions of dollars of support to State and local governments in improving the overall operation of their criminal justice systems. Additionally, the LEAA serves as a center for the development of new ideas on how to fight crime. Examples of several LEAA innovations have already been noted in this Message. The bill that I will submit will authorize \$6.8 billion for LEAA to continue its work through 1981.

Several aspects of the reauthorization bill deserve special mention. It will increase the annual funding authorization for LEAA from \$1.25 billion to \$1.3 billion. The additional \$250 million over five years will enable the agency's discretionary program to place greater emphasis on programs aimed at reducing crime in heavily populated urban areas. It is in these areas that the problem of violent street crime has reached critical proportions. The LEAA "High Impact" program, which is designed to provide additional assistance for cities and counties with high crime rates, has had encouraging success. This additional authorization will permit LEAA to build upon that success.

The bill will also place special emphasis on improving the operation of State and local court systems. Specifically, it will include such improvement within

the statement of purposes for which LEAA block grant funds can be utilized. Too often, the courts, the prosecutors and the public defenders are overlooked in the allocation of criminal justice resources. If we are to be at all effective in fighting crime, state and local court systems, including prosecution and defense, must be expanded and enhanced.

In conclusion, I emphasize again that the Federal government cannot, by itself, bring an end to crime in the streets. The Federal government can seek the cooperation and participation of State and local governments. Such cooperation is vitally important to this effort. The cumulative effect of persistent Federal, State and local efforts to improve our laws and eliminate difficulties that encumber our criminal justice system offers the only hope of achieving a steady reduction in crime.

I am confident that, if the Congress enacts the programs that I have recommended, the means available for an effective attack on crime will have been substantially strengthened. I call upon the Congress to act swiftly on these recommendations. I also call upon State and local governments to move rapidly in strengthening their processes of criminal justice. Together, we will restore to this nation that sense of domestic tranquility so essential to the pursuit of happiness.

GERALD R. FORD

The White House,
June 19, 1975.

342

Statement on Receiving Final Report of the Commission on Revision of the Federal Court Appellate System.

June 20, 1975

I AM pleased to have received today the final report of the Commission on Revision of the Federal Court Appellate System. The members of the Commission deserve the appreciation of the country for the care which they have devoted to this report.

One could not ask for a more dedicated Chairman than Senator Roman L. Hruska. His able leadership during the entire life of the Commission is to be commended. Also, the Commission itself is noteworthy, not only because of the superior quality of each of the members but because it includes leading Mem-

bers of both Houses of Congress, distinguished judges, practitioners, and members of the academic branch of the legal profession.

Certainly, the importance of the Supreme Court, the circuit courts, and the Federal judicial system to our society and to our people cannot be overestimated. We owe these courts the fullest measure of support to assure that they function effectively. In the final analysis, our courts function for the well-being of the citizenry. The effective, efficient operation of the judicial system is essential to safeguard our rights and our liberties.

After extensive study, the Commission has published its thoughtful and imaginative recommendations for change.

I will give the Commission's recommendations serious study, and I know the Congress and the Chief Justice will do the same. These efforts should go hand-in-hand with a thorough review of the basic causes for the ever-increasing number of cases being brought in the Federal courts. We should also strive to fashion ways to reduce the volume of Federal litigation and to expedite the disposition of cases before the courts.

NOTE: The report is entitled "Commission on Revision of the Federal Court Appellate System—Structure and Internal Procedures: Recommendations for Change" (Government Printing Office, 244 pp.).

The Chairman and members of the Commission presented a copy of the report to the President in a ceremony in the Oval Office at the White House.

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Letter Authorizing Establishment of the President Ford Committee. *June 20, 1975*

[Dated June 19, 1975. Released June 20, 1975]

Dear Dean:

I hereby authorize The President Ford Committee to solicit and receive contributions and to incur expenses and to make expenditures to further my nomination for the Office of President of the United States.

Best personal regards,

GERALD R. FORD

[Honorable Dean Burch, Chairman, The President Ford Committee, 1200 18th Street, NW., Washington, D.C. 20036]

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**Statement on the Northern Mariana Islands Plebiscite
Favoring Commonwealth Status. June 20, 1975**

I WOULD like to take this opportunity to extend to the people of the Northern Mariana Islands my personal greetings and to convey to them my pleasure with the results of the plebiscite held on June 17, 1975. I have been informed that a substantial majority has voted in favor of the Commonwealth Covenant in free and open balloting observed by the United Nations and preceded by a fair and impartial education program. I wish personally to congratulate and commend all of those who were responsible for the conduct of the plebiscite, including the Plebiscite Commissioner and his staff, the Voter Registration Board, and the Plebiscite Advisory Committee.

The people of the Northern Marianas have now spoken. The next step will be consideration of the Covenant by the Congress of the United States. I intend to submit without delay the Covenant to the Congress with my strong endorsement for its early favorable action. It is my earnest hope that we may look forward to further steps in the near future which will move the people of the Northern Mariana Islands still closer to the long-desired ultimate goal of political union with the United States. I know the American people join with me in sending to the people of the Northern Mariana Islands our warmest regards.

NOTE: For the President's letter transmitting proposed legislation to the Congress concerning commonwealth status for the islands, see Item 368.

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**Statement Announcing the 1974 National Medal of Science
Awards. June 23, 1975**

IT IS with great pleasure that I announce the thirteen 1974 recipients of the National Medal of Science. This medal is the Nation's highest award for distinguished achievements in science, mathematics, and engineering development.

An examination of the winners' accomplishments demonstrates the importance of science and engineering to the Nation. Our understanding of the universe and of man, mankind's ability to utilize research to improve health, and new technological advances in communication, transportation, and industry

are all illustrated by the roles of the distinguished scientists and engineers who will receive this medal.

The National Medal of Science was established by the 86th Congress in 1959 to be awarded to individuals deserving of special recognition by reason of their outstanding contributions to knowledge in the physical, biological, mathematical, or engineering sciences. Since 1962, the medal has been awarded to 89 distinguished scientists and engineers.

During the past year, the President's Committee on the National Medal of Science received 204 nominations of distinguished and able individuals from the National Academies of Sciences and Engineering, from various professional societies, from colleges and universities, and from individual members of these organizations. I was assisted in the selection of recipients by this Committee chaired through 1974 by Dr. Charles P. Slichter.

I look forward to meeting with these distinguished Americans at the White House in the near future.

NOTE: For the President's remarks on presenting the awards, see Item 568.

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Message to the Congress Transmitting Annual Report of the National Endowment for the Arts and National Council on the Arts. *June 23, 1975*

To the Congress of the United States:

I am pleased to transmit to the Congress the Annual Report of the National Council on the Arts and the National Endowment for the Arts for the Fiscal Year 1974.

Our Nation has a diverse and extremely rich cultural heritage. It is a source of pride and strength to millions of Americans who look to the arts for inspiration, communication and the opportunity for creative self-expression.

This Annual Report reflects the role of the government in preserving this cultural legacy and encouraging fresh activity, in developing our cultural resources and making new connections between the arts and our people.

In September 1974, the National Council on the Arts celebrated its Tenth Anniversary, and I had the opportunity to congratulate the Council and this relatively new Federal agency on its success in creating interest in the Arts throughout the Nation.

I believe that the work of the National Council and the National Endowment for the Arts has been a great addition to our society in the United States and we can be very proud of it.

With the bicentennial of our Nation approaching soon, we shall need the creative gifts of our artists and the capabilities of our cultural institutions to help us celebrate this great anniversary.

It is my hope that every member of Congress will share my conviction that the arts are an important and integral part of our society. I hope that they will agree with my assessment of the importance to this Nation of the achievements of the Endowment.

GERALD R. FORD

The White House,
June 23, 1975.

NOTE: The report is entitled "National Endowment
for the Arts and National Council on the Arts—

Annual Report, Fiscal Year 1974" (Government
Printing Office, 141 pp.).

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**Letter to Congressional Committee Chairmen Transmitting
Reports on the Status of Indochina Refugees and Retrieval
of Indochina Assistance Funds. June 23, 1975**

Dear Mr. Chairman:

The Indochina Migration and Refugee Assistance Act of 1975 requires that I transmit within thirty days after its enactment a report to six committees of the Congress describing the status of refugees from Cambodia and South Vietnam.

In response to that requirement, I am forwarding a report prepared by the acting Director of the interagency task force for Indochina. It sets forth current progress in receiving and resettling the refugees.

Progress to date has been good when considered in the context of the magnitude of the refugee situation—the large numbers and great distances—and the short period of time available to deal with it. The cooperation and sacrifices made by private individuals and organizations, by Members of the Congress, by Federal, State and local officials, and by military personnel have been exemplary. I compliment all of them, and I ask that as many more people as possible contribute their efforts toward complete resettlement.

I am also transmitting a report regarding retrieval of assistance funds to

Cambodia and South Vietnam by the Department of Defense and the Agency for International Development as required by section 4(b)(3) of the Act.

I anticipate that the subsequent supplementary reports required by the Act will provide the committees additional information on these activities.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable James O. Eastland, Chairman, Senate Committee on the Judiciary; the Honorable Peter W. Rodino, Chairman, House Committee on the Judiciary; the Honorable John J. Sparkman, Chairman, Senate Committee on Foreign Relations; the Honorable Thomas E. Morgan, Chairman, House Committee on International Relations; the Honorable John L. McClellan, Chairman, Senate

Committee on Appropriations; and the Honorable George H. Mahon, Chairman, House Committee on Appropriations.

The reports are entitled:

"Report to the Congress—Interagency Task Force on Indochina Refugees, June 15, 1975."

"Report Required by Section 4(b)(3) of the Indochina Migration and Refugee Assistance Act of 1975."

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Remarks Following a Meeting With Soviet Transpolar Aviators. *June 23, 1975*

Ambassador Dobrynin, General Belyakov, General Baidukov, Colonel Chkalov:

Let me welcome all of you to the White House. I know this is the second experience for the two generals and the first experience of Colonel Chkalov.

In 1937, these two generals and another flew from Moscow to Vancouver, Washington, in 62 hours, and this plane is a duplicate of the plane that they flew on this historic flight.

The three Soviet military personnel who are here with us here today spent several days in Vancouver last week in a celebration of the flight that took place almost 40 years ago.

I was just looking at the logbook in English that showed the various incidents that took place as they flew on this really historic flight in 1937. And the three gentlemen here within the last week or so flew in a modern Russian jet. It took them 10 hours. So, the flight that they took almost 40 years ago took six times as long as the flight they made over the same area in 1975.

General Belyakov has just presented to me this replica of the aircraft that they flew in, a single-engine, piston-driven plane that the two of them and the father of the colonel made in this flight from the Soviet Union to the United States.

But the point I think is appropriate to make—this warm welcome given to the Soviet pilots is an indication of the progress we have made in a people-to-

people exchange, which is the result of, I think, the betterment of relations between the Soviet Union and the United States.

It is our hope that incidents like this can be expanded in the months ahead in the best interests of the United States, as well as the Soviet Union and others, to broaden our exchange, to widen our friendship in the best interests of not only our people but the people of the world as a whole.

I thank you very, very much, General.

NOTE: The President spoke at 12:56 p.m. in the Rose Garden at the White House. Lt. Gen. Aleksandr Belyakov and Col. Gen. Georgi Baidukov were visiting the United States at the invitation of the Van-

couver Transpolar Flight Commemorative Committee. With them was Col. Igor Chkalov, whose father, V. P. Chkalov, the third pilot on the flight, died in 1939.

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Statement on the Death of Eugene C. Pulliam.

June 24, 1975

MRS. FORD and I are deeply grieved at the death of Gene Pulliam. His dedication and integrity made him a giant in the publishing industry for some 60 years. Betty and I send our deepest sympathy to his wife, Nina, his family, and friends. A great publisher and a great American, Gene Pulliam will be sorely missed.

NOTE: Mr. Pulliam was president and publisher of the Indianapolis Star and News, the Phoenix Gazette, and the Arizona Republic.

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Remarks at a News Briefing Announcing Measures To Assist the Housing Industry. *June 24, 1975*

I WOULD like to make a relatively short statement, and then Secretary Hills will follow with an extensive briefing.

To help speed the recovery already underway in the housing industry, whose health is absolutely vital to our overall economic recovery, I have today directed Secretary Hills, head of Housing and Urban Development, to release \$2 billion in previously authorized Federal funds to assist in the purchase of home mortgages. This action will immediately make new mortgage money available to home buyers. To help put more workers in the building trades back to work, I am requesting the Congress to authorize an additional \$7,750 million for this program and to extend it for another year until July 1, 1976.

To prevent the possibility of foreclosures on homes whose owners are temporarily out of work, I am also requesting the Congress to move as rapidly as possible on legislation introduced by Congressman Lud Ashley of Ohio and Congressman Garry Brown of Michigan and others to provide mortgage payment relief loans and coinsurance for lenders who refrain from such foreclosures. This legislation will protect homeowners and head off needless foreclosures.

The steps I have announced today are the best way to meet the problems of housing in this country at the present time. I am therefore vetoing H.R. 4485, because it will hamper the recovery now underway and will add to the over-size Federal deficit.

Now, let me introduce Secretary Hills, who will fill you in on my proposals to protect homeowners, stimulate homebuilding, and provide more jobs for the building trades.

Secretary Hills.

NOTE: The President spoke at 3:05 p.m. to reporters assembled in the Briefing Room at the White House.

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Veto of an Emergency Housing Bill.

June 24, 1975

To the House of Representatives:

I am today returning, without my approval, H.R. 4485, the proposed Emergency Housing Act of 1975.

After careful examination of this bill and its provisions, it is my considered judgment that H.R. 4485, due to its cost, ineffectiveness, and delayed stimulus, would damage the housing industry and damage the economy.

This Administration is committed to a prompt recovery of the housing industry and to getting the construction workers back to work—which are crucial elements in our overall economic recovery.

To reaffirm my commitment to such prompt recovery and my support of the existing Federal mortgage assistance program, I am today directing the release of the remaining \$2 billion in these funds and requesting Congress to authorize another \$7.75 billion in this assistance for housing. I will also support a workable plan to prevent mortgage foreclosures for home-owners who are out of work.

But H.R. 4485 is not acceptable for these reasons:

- It could not be implemented without substantial delay, and probably would actually provide a disincentive to some home purchases. Consequently it would delay for months putting construction workers back to work.
- It is in some respects inequitable. In some areas of the country, families with \$25,000 of income could qualify for benefits, while in other areas of the country, families with \$6,000 of income could not qualify.
- The levels of mortgage subsidies (down to 6% in some cases) would give some buyers an excessive benefit at the taxpayers' expense.
- For the modest benefits that might come in housing, this bill is too expensive—over \$1 billion in additional Federal expenditures in FY 76, and more in years to come.

This bill's provisions for the protection of home-owners who are presently unemployed or under-employed due to our economic conditions and who face foreclosure on their homes, though well intentioned, unnecessarily place the Federal government in the retail loan-making business as a sole means of relief. Depository institutions have a stake in avoiding foreclosures and should be active participants in any such mortgage payment relief program.

I believe there is a better way both to stimulate jobs in construction and to provide standby protection for homeowners who may be threatened by foreclosure:

1. To add impetus to the industry's recovery and to put the building trades back to work, I am today directing the Secretary of Housing and Urban Development to make available, immediately, under existing law, \$2 billion previously authorized for mortgage purchase assistance.

We know this program works, and this action will make new mortgage money available immediately from thrift institutions and other lenders. But since the mortgages the Federal government purchases can be later resold, the cost to the Federal government is relatively low—\$60 million for FY 76.

2. To continue this effective tandem authority program, I propose that Congress extend this program beyond its expiration date in October, and to expand it to cover conventionally financed multi-family housing, including condominiums. In addition, I request authorization from Congress to put \$7.75 billion more into this program to insure financing is available if needed to sustain the recovery of the housing industry.

3. To protect home-owners against foreclosure, I commend the efforts of the sponsors of legislation recently introduced in the Congress that would confer standby authority on the Secretary of Housing and Urban Development to make mortgage payment relief loans or to co-insure lenders who refrain from

foreclosing on home-owners who are temporarily out of work. We want to preserve the good relationship between the home-owner and the bank or other institution which holds his mortgage—and at the same time provide some fiscal protection to the lender who assists a home-owner.

While there continue to be many problems in the housing industry, and while there is far too much unemployment among housing construction workers, there are clear signs of recovery in this vital part of the American economy.

During the current calendar year, funds needed for mortgage loans have been flowing into savings institutions at record levels—\$19.7 billion net during the first five months of this year alone, nearly quadruple the level of the same period last year. With this flow of funds, interest rates have fallen substantially from their peaks of last summer.

Meanwhile, the government has been providing unprecedented support to the housing industry. Since last October, the Government National Mortgage Association has committed to purchase nearly \$9 billion in conventional, FHA and VA mortgages with interest rates down to 7¾ percent. And this March, a tax credit for unsold new homes was enacted into law.

There are now strong indications that new home construction and sales are responding to these actions. New home sales increased 25 percent in April, the largest increase in 12 years. Home building permits climbed 24 percent in April and an additional 9 percent in May. Also in May, housing starts—which represent not only new homes but new jobs—rose sharply.

These favorable trends, however, do not mean that we have overcome our problem in housing. To the contrary, the level of home construction is still too low, and I fully agree with those who believe that a swift recovery in housing is a prime objective of national economic policy.

We must accelerate the improvement in housing that now appears to be coming about.

My action today to commit \$2 billion for mortgage purchase assistance under the Emergency Home Purchase Assistance Act of 1974 will exhaust the current authorization under that Act. In proposing that this Act be extended, broadened to multi-family housing, and expanded by \$7.75 billion, I am affirming that we have a tried and tested mechanism for supplementing and reinforcing housing construction.

Unfortunately, while H.R. 4485 does contain the multi-family amendment I have recommended, it fails to extend the current law, increase its authorization or effect any other improvements. Worse, it would authorize a variety of new and untried subsidies, including provisions for mortgages with mandated 6 and

7 percent interest rates and \$1,000 down-payment grants. Since there appears to have been no consensus in favor of any one of these new subsidies, the bill adopts all of them in the hope that *something* will work.

The full implementation of these new subsidies, together with other provisions of the bill, would add over \$1 billion to the fiscal 1976 deficit and ultimately cost more than \$2 billion. An addition to the budget of this magnitude to benefit a few home-buyers is inequitable as well as costly.

It is most important to housing that we maintain a firm line against ill-considered spending that adds to the growing deficit and necessitates Federal government borrowing which tends to drive up interest rates and depress housing construction. I believe that budgetary restraint is a key element in our effort to instill the kind of consumer confidence in the future that is essential to a vigorous housing market.

Proponents of H.R. 4485 have argued that the budgetary costs of this bill would be outweighed by stimulating an upturn in housing starts, jobs and tax revenues. But critical defects in the bill concerning its relative cost, impact, timing and long-term implications will prevent it from achieving these objectives.

First, the levels of subsidy provided are excessively deep and costly. Under H.R. 4485, mortgages would be heavily subsidized so that they could bear lower interest rates than any previously available to other home-owners during the last ten years. These deep subsidies would require substantial Federal outlays. Moreover, experience demonstrates that a strong and healthy housing industry can be maintained without the deep subsidies contained in this bill.

Second, the bill would not work as intended even if it could be immediately implemented. Although supporters of H.R. 4485 have claimed that it would produce hundreds of thousands of additional housing units, evaluation by HUD and OMB does not suggest that the bill would have any impact of this magnitude or that the units produced would necessarily be additional to those that would be produced in the absence of such large subsidies. Those most likely to be influenced to buy under the bill would be families near the top of the eligibility range. These same families would be most apt to buy even without subsidy assistance on the scale proposed.

Third, because the bill could not be immediately implemented, it would actually impede an early recovery in housing starts. The subsidies which would be authorized include new approaches that have never been tried before. To make this assistance available, it would not only be necessary to secure appropriations and write regulations, but also to prepare a variety of new forms, establish procedures and familiarize government, lender and builder personnel

throughout the country with them. Even given top priority, months could be required before implementation is completed. Thus, H.R. 4485—far from helping during the coming months—would actually inhibit home purchases among those eligible for assistance, since these families would understandably want to wait until the subsidies become available.

Fourth, the bill has long-term impacts and implications that are inappropriate and undesirable for an “emergency” measure. One of the subsidy options included in the bill would require home-owners with 6 percent interest rate mortgages to make increasing monthly payments in the future, up to the full payments that would be required at current market interest rates. I believe there will almost certainly be intense pressures for relief against these phase-up provisions in years to come—and thus for a continuation of the deep subsidies this option involves. Moreover, even if this approach works as intended, it would require substantial government outlays in future years when the economy may be operating at full capacity with inflationary forces at or approaching their peaks.

Fifth, the subsidy provisions of H.R. 4485 pose substantial problems of equity among those who would and would not be eligible for the relatively large subsidies provided. As the bill is written, substantial subsidies would be made available to families within a given income group. Other families with similar or even less income would receive no subsidy at all and would be expected to pay full market rate mortgages. These discrepancies would be very sharp and hard to justify. In some areas, it would permit families with incomes well over \$25,000 to qualify while, in other areas, families with incomes as low as \$6,000 would be ineligible.

Sixth, H.R. 4485 would make a number of undesirable changes in our housing and community development laws. For example, the bill would extend the homeownership program authorized under Section 235 of the National Housing Act. It would also extend and expand the program of subsidized government rehabilitation loans authorized under Section 312 of the Housing Act of 1964. These provisions would reverse decisions the Congress itself enacted last year after one of the most extensive reviews of Federal housing policy ever conducted. Also objectionable are the provisions which would divert funds from the new leased housing program, and establish special rules for certain State agency housing projects assisted under Section 236 of the National Housing Act.

Finally, the foreclosure provision of H.R. 4485 is too limited in its mechanism for providing relief. This provision reflects the concern that mortgage foreclosures may soar during the recession. To date, no such trend has developed

because private lenders have been cooperating with home-owners through forbearance and common sense arrangements. In fact, foreclosure rates have remained stable—actually, at a level lower than that experienced during the mid-1960s.

Nonetheless, I can appreciate the desire of Congress to enact legislation, and I will support legislation which would protect home-owners from loss of their homes due to temporary economic hardship and which recognizes the provisions of such relief is both a matter of concern for the federal government and the depository institutions or other mortgagees involved.

Good housing is one of our greatest national assets, and our objective was and is to assist in the recovery of the housing construction industry and to help get the building trades workers back to their productive and meaningful skills. I shall be glad to work with the Congress toward this objective.

GERALD R. FORD

The White House,
June 24, 1975.

NOTE: The House of Representatives sustained the President's veto on June 25, 1975.

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Remarks at a Reception for Republican National Associates. *June 24, 1975*

Mr. Vice President, Mary Louise Smith, Mike Carmichael, and all of you:

It is wonderful to welcome you into the East Room. As I look around the room, I see so many, many people that I have known over a good many years who have been consistent in the support for the Republican Party candidates and the principles that our party stands for.

So, it is a great privilege and pleasure for me to welcome each and every one of you here on this occasion, which I know is another expression of your strong belief in what we all believe in and what we intend to try and do. I just thank you very, very much for being here.

I know that what you have done over the years has kept the party alive. It has permitted us to flex our muscles a little bit when we had some trials and tribulations. Let me add, you have kept the Republican Party from being an endangered species—[*laughter*—]and for that I thank you very much.

As I look back over the last 9 or 10 months and see the difficulties that we have had, I think we can now say that the Republican Party has made one

of the most amazing comebacks in the shortest possible time of any political party that I have seen or read about. Let's review very quickly some of these difficulties.

About a year ago, we were, unfortunately, being exposed to inflation of 10 or 12 percent on an annual basis. After some good, sound policies, constructive, firm, we are now down to inflation of about 6 percent. We have cut it 50 percent. That is not satisfactory, but let me assure you, we are on the right path.

About 6 months ago it was perfectly obvious that we were faced with a serious recession. Again, because of sound policy, firm hands, and a dedication to doing what is right, all of the experts tell me that we are bottomed out. And I can assure you, as I look at the statistics, we see a good many more bright clouds than dark ones, and we are going to continue and we are going to make it.

Now, let me make another observation. After the last election, in November of 1974, we were faced with overwhelming odds in the House and in the Senate. The opposition party controlled the Congress by a better than two-thirds majority. In other words, they had two for every one of us, and a few plus, and there were many predictions of what their legislative course would be. And as I read their program I must say I was fearful and apprehensive, and I should have been—except we have found that the Republicans in the Congress have unified in the House under John Rhodes and in the Senate under Senator Scott, and the net result has been that we have been able to stem the tide of unsound legislation.

I have had to undertake some hard decisions and veto a few bills that shouldn't have become law, and the Republicans, with the help of a number of wise and discerning Democrats, have actually sustained those vetoes.

So, despite the odds that we faced following that election, we are able to keep a steady and firm hand on the legislative tiller, and I believe that as we move ahead in the months before us, the Congress will, hopefully, become more responsible.

And I can assure you that it has been a great privilege and pleasure for me to work with Senator Scott and the Republicans in the Senate and with John Rhodes and the Republicans in the House. We are a good team, and we are going to continue that way.

I have always felt in the 13 elections that I participated in as a candidate that what was good for the country was the best politics, and that is true for Democrats as well as Republicans.

And it is my judgment, as I talk to people, as I read communications that

come into the office, that our principles and our policies, those in which we believe, that for which we stand, that for which we work is really what most Americans believe in.

And so, we are going to keep the course that we are on today, and that course involves the following: a total dedication to the free enterprise system, seeking to lift the heavy hand of government from business so that the free enterprise system can work. One of our national magazines, in the issue that came out this morning, has a wonderful story showing the excessive cost to our society because of unneeded, undesirable regulation by government. And I have a meeting tomorrow morning with 20 Members of the House and Senate, Democrats and Republicans, trying to guide with them a way in which we can alleviate the heavy hand of government regulation.

Secondly, we believe in fiscal responsibility, and I say this fully recognizing that the Federal fiscal affairs in this current fiscal year and next year are most difficult. We have had a drop in revenue because of the recession. We have had extra expenditures because of the recession. We are the victims of some legislation that continue payments regardless of certain circumstances. And the consequence is that we have a substantial Federal deficit this year and next year. But the biggest danger is that the Congress will add to it in a significant way. And to live up to the principles of fiscal responsibility, we are going to keep vetoing measures that will add to that deficit. And I think the Congress will sustain us in trying to keep the lid on these unwise and unnecessary expenditures.

Secondly, we believe in a strong national defense posture. The record is abundantly clear that if you are strong militarily, that is the best way to keep the peace and the best way to ensure that we can move ahead, working with our allies and working also with our adversaries.

So, this Administration will continue an adequate funding program for the Army, the Navy, the Marines, the Air Force, because that is the best insurance that I know for the maintenance of peace in the future.

Fourthly, we believe in local control at the State and at the local level. The people that you elect to your municipal offices, your county offices, your State offices, if you elect the right people, can do a better job.

As a result, we believe in what is called block grants to help to strengthen local and State government. You can keep a more watchful eye on people at home in your State governments, and they, as a consequence, will do a better job.

Lastly, and just as important as any of the others, we believe in freedom for the individual. Freedom in what way? Freedom against an all-powerful government, freedom against mass education where every individual is educated as

a robot, freedom against an impersonal production line, freedom against all of the things that take away from you and me and our neighbors and our friends the opportunity to do something different, because you are different from everybody else.

This, in my judgment, ought to be one of the themes of our third century of America's history: freedom of the individual. And to the extent that—well, these are the principles that I think we ought to seek to achieve in the months and years ahead.

It is my judgment we have convinced a good many Members of the Congress that we mean business. We have convinced a good many of our allies that we are dedicated to the common purposes. And I think we have convinced some of our potential adversaries that we mean business.

So, the net result is the American people will support us. We must close ranks. We must work together. We must field good candidates, and one of the most encouraging things that I have seen is the tremendous effort of Mary Louise Smith, along with Dick Obenshain, to field good candidates, to recruit good candidates. If we do, I think we can do tremendously well in 1976.

I am also very encouraged by the effort made by Senator Ted Stevens in the recruitment of Senatorial candidates and Congressman Guy Vander Jagt in the recruitment of Congressional—or House—candidates. And Kit Bond, the fine Governor of the State of Missouri, also has the responsibility of recruiting gubernatorial candidates around the country.

So, if we get candidates, I think 1976 can be one of the best years for the Republican Party, and '76 can be a new era for all of us—Democrats, Republicans, and Independents alike.

Thank you very, very much.

NOTE: The President spoke at 6:23 p.m. in the East Room at the White House. O. C. Carmichael was treasurer of the Republican National Committee,

which sponsored the national associates program for Republican Party contributors.

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Remarks on Greeting Korean and American Congressional Veterans of the Korean War. *June 25, 1975*

LET ME just say a word or two. It is a great privilege and pleasure for me to be in the company of not only South Korean veterans of the war in Korea but Members of Congress themselves, Members of our Congress, who also participated in the Korean war.

I am sure that this group has a very close bond between themselves for very good reasons. They went through adversity and difficulty and now are showing that same unity in their efforts to cement even stronger the friendship between the people of South Korea and the people of our country.

I congratulate them and welcome them to the White House, and I assure our South Korean friends that I will maximize my effort to make certain and positive that our country stands steadfast and firm in support of the people of South Korea.

I welcome every one of them and look forward to the opportunity of working with them and with their government in the days ahead.

MR. CHOI YOUNG HI. Well, we are very honored to visit the White House because of the audience of President Ford. Certainly we are very honored, all our people, but today I return here by the presence of all the Korean people, also the Korean Congress. Today we are just—Korean war breadth of time to come here 25 years ago. Why do we come here? We have two purposes.

One is, how do we pay appreciation and how do we respect the American people, especially all of the Congressmen, their supporters 25 years ago, so we came here.

The second one, we are the present Korean Congress war veterans group, this association group here. We also contact American Congressional war veterans people, see, and we discuss.

Also we told each other honestly, frankly, future Korean program. Also we discussed the future of Korean defense.

Today our President Park especially sends his best regards to the American people.

Thank you, sir.

THE PRESIDENT. I should add that I had a wonderful trip to South Korea in December [November] of last year, and the Korean people gave me a tremendously warm, warm welcome. I had an opportunity to visit our American forces who are there, and I had an opportunity to meet with your President.

I think it is very unique that members of the South Korean parliamentary body, as well as our own Congress, can sit and talk about the need and necessity for strengthening our ties and at the same time reminisce about the great difficulties that all of them went through during that three-plus-year war.

I welcome you, and will you give my very best to your President.

NOTE: The President spoke at 1:45 p.m. in the Rose Garden at the White House. Mr. Choi, chairman of the Defense Committee of the Korean National Assembly, headed the delegation of Assemblymen who

were visiting the United States. Also present were 54 U.S. Congressmen who served in the Korean war.

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The President's News Conference of *June 25, 1975*

THE PRESIDENT. I think this is a delightful place to have a press conference, and I hope all of you feel the same way.

I do have an opening statement.

HOUSING

[1.] I commend the House of Representatives for its vote to sustain my veto of the housing legislation. This vote demonstrates a growing sense of fiscal responsibility in the Congress and a realization by an increasing number of Congressmen that economic recovery need not be bought at the price of unwise legislation and costly inflation.

I am prepared to work with the Congress in reaching our common objectives—a revitalized housing industry, more jobs in construction, and a sound economy. I again urge the Congress to extend for another year the Emergency Home Purchase Assistance Act of 1974 and to expand it by another \$7,750 million as quickly as possible.

To head off the foreclosure of homes whose owners are temporarily out of work, I again ask the Congress to act expeditiously on legislation introduced by Congressmen Lud Ashley of Ohio and Garry Brown of Michigan and others to provide mortgage payment relief and coinsurance for lenders who refrain from such foreclosures.

I am confident that we can and will meet to solve these problems.

Miss Thomas [Helen Thomas, United Press International].

QUESTIONS

NUCLEAR WEAPONS

[2.] Q. Mr. President, the United States, as a matter of policy, has consistently disavowed the first use of nuclear weapons. Is that still our policy in view of recent developments?

THE PRESIDENT. Well, the United States has a policy that means that we have the maximum flexibility for the determination of what is in our own national interest. We had a change of some degree about a year and a half ago.

When I took office, or since I have taken office, I have discussed this change to maximize our flexibility and to give us the greatest opportunity for our own

national security with Secretary Schlesinger, and I can assure you that it is a good policy, and it is a policy that I think will help to deter war and preserve the peace.

Q. Well, may I follow up, sir?

THE PRESIDENT. Sure.

Q. You haven't said whether you will use the first strike, in terms of tactical or strategic, and don't you think the American people should know?

THE PRESIDENT. I don't think it is appropriate for me to discuss at a press conference what our utilization will be of our tactical or strategic weapons. This is a matter that has to be determined if and when there are any requirements for our national interests. And I don't believe under these circumstances that I should discuss how, when, or what kind of weapons should be used.

Mr. Cormier [Frank Cormier, Associated Press].

THE MIDDLE EAST

[3.] Q. Mr. President, like your formal declaration of candidacy, the completion of the Middle East reassessment is getting closer every day. I wonder, how close is it now, and does it look more like a return to step-by-step diplomacy or a move to Geneva?

THE PRESIDENT. The reassessment that we are undertaking in regard to the Middle East has not been concluded. We have met with a number of heads of government in the Middle East. We have discussed the alternatives and options with a number of other people who are knowledgeable in this area. But I cannot give you a date as to when that reassessment will be concluded.

Obviously, it is getting closer and closer because we must not permit, to the degree that we can affect it, a stalemate or stagnation, because the longer we have no movement toward peace in the Middle East, the more likely we are to have war and all of its ill ramifications.

I can only say we are working on the problem with countries in the Middle East and with others and that the reassessment will be concluded in an appropriate time, and it will provide for movement, as far as we are concerned.

Q. Is it more likely to be in the direction of Geneva or more shuttle diplomacy?

THE PRESIDENT. The options are still open.

Yes, Mr. Barnes [Fred Barnes, Washington Star].

PUBLIC OPINION POLLS

[4.] Q. Mr. President, your popularity in the public opinion polls has risen rather dramatically recently, and I know you have discussed this matter with

pollster Louis Harris. To what do you attribute your improvement in the public opinion polls recently?

THE PRESIDENT. Naturally, I am pleased that the polls have shown improvement. I think this is a reflection of the fact that we have had a consistently strong policy, domestically, aimed at doing something affirmatively about inflation and showing our concern and compassion in the field of finding a remedy to the recession.

I think it also reflects some of the hard decisions we had to make in the area of foreign policy. Obviously, the *Mayaguez* incident and the way it was handled has had a good reaction, but we have done other things in foreign policy. The trip to Europe, I think, was effective in that it showed the Alliance is strong and we are committed to the Alliance. And of course, the Alliance has contained aggression and maintained peace in Western Europe.

So, there is a whole series of things that, in my judgment, have been good for the country. And when something is good for the Nation, people who have something to do with it do benefit to some extent.

FOREIGN POLICY

[5.] Q. Mr. President, on the subject of foreign policy, Secretary Kissinger spoke in Atlanta the other night, and he had something to say about our alliances, that no country should imagine that it is doing us a favor by remaining in an alliance with us. Is this a signal of a new attitude toward our allies?

THE PRESIDENT. I don't think it is a signal of a new attitude. Any bilateral agreement is in the mutual interest of both parties, and any alliance, such as the North Atlantic Alliance, is also in the mutual interest of all of the participants.

Now, occasionally, I suspect, some partner gets the impression that his country is getting less out of an alliance than another. We think it is important to keep them on a mutual basis, and we intend to do so. But there was nothing in Secretary Kissinger's comments in Atlanta the other night that was aimed at any one country or any one alliance.

Q. Well, if he might have had Turkey in mind as one country, I am just wondering if this is a diplomatic thing to say at this time when our bases are at stake and the welfare of NATO?

THE PRESIDENT. Secretary Kissinger's comment, as I said a moment ago, was not aimed at any one country or any one alliance. We are concerned about the conflict in the Mediterranean, which has resulted from the Cyprus difficulty of about 18 months or more ago, which has resulted in differences between Turkey and Greece.

I can assure you that we are going to work as we have in the past to try and find an answer to that problem. But I don't think the Secretary's comment in Atlanta was aimed at either Greece or Turkey or any particular alliance.

Mr. Shabecoff [Philip Shabecoff, New York Times].

UNEMPLOYMENT

[6.] Q. Mr. President, your aides say that unemployment next year, an election year, will be very high, perhaps as high as 8 million Americans. Yesterday, George Meany charged your Administration with callous disregard for human misery. My question is this, sir: Why should the American people vote to put back in office a President whose policies accept such a high rate of unemployment among the American people?

THE PRESIDENT. We don't accept that as a figure that we want. We have to be realistic in that, with the high inflation we had of a year ago—12 to 14 percent—we have to do something affirmatively in regard to inflation, and we cut the inflation rate in the last 6 months by 50 percent.

As you bring down inflation, we may have to suffer for a short period of time higher unemployment than we like. But I am convinced that with the policies we are pursuing, we can gradually increase employment and gradually decrease unemployment.

I am glad to indicate that in the last 2 months, according to the statisticians, we have had an increase of about 550,000 more people gainfully employed. This is a good trend, and I think you are going to see it increasing. And I hope in the process that we will go down from the 9.2 percent unemployment—I think we will—that we reported several weeks ago.

Q. If I may follow up, sir. Your own Administration's forecasts say that unemployment won't go down to 5 percent until 1980. My question is: Don't you consider this to be a potent political issue next year?

THE PRESIDENT. I think it is an unacceptable figure. I hope they are wrong. I can only point out that 6 months or a year ago, some of my advisers were telling me that inflation in 1975 would be 8 or 9 percent. It is down to 6 percent. So, I think we can hopefully expect the same kind of improvement over the speculation in unemployment that we had in forecasting inflation.

TAX REDUCTION

[7.] Q. If the economy has not shown a significant upturn sometime late this fall, would you consider asking Congress to extend for another year the tax reduction that is now in effect?

THE PRESIDENT. If the evidence shows that the tax reduction measures that were approved early this year were beneficial in moving the economy forward, and if we are convinced that the tax reductions would not create a deficit of a sizable magnitude, more than we can afford, and if we have an economic situation that is not moving ahead, not improving, yes, I would consider recommending to the Congress that the tax reductions be extended for another year.

Q. Have you discussed this with Congressional leaders as a possibility?

THE PRESIDENT. I have not discussed it with Congressional leaders. We keep a close check on economic indicators within the White House, and we have analyzed the alternatives in this situation. And if the conditions prevail that I indicated a moment ago, we would consider this as an option.

Yes, Mr. Brokaw [Tom Brokaw, NBC News].

OIL PRICES

[8.] Mr. President, the Congressional budget office is concerned that if the Middle East oil producers raise the price of oil this fall, as they have threatened to do, it will prolong the American recession and delay the recovery. If the Middle East oil producers do, in fact, increase the price of oil, would you expect the American people to just swallow that increase or would you have a definitive Administration response to an increase from the Middle East, and if you do, what would it be?

THE PRESIDENT. First, any increase in foreign oil would be, in my judgment, very disruptive and totally unacceptable.

As you know, I have been trying to get the Congress to pass an energy program that would make us less vulnerable to any price increase by foreign oil sources. Unfortunately, the Congress has done nothing, but we are going to continue pressing the Congress to act.

Now, our program, which I hope the Congress will pass eventually, would produce more domestic oil and make us less dependent on foreign oil. In the meantime, we have to work with our allies, the oil-consuming nations, to bring our policies closer together so we can act in negotiations with the oil-producing countries. And the International Energy Agency, which was formed by the oil-consuming nations, has made some progress in this area. I hope that through this organization and our domestic energy program, we can meet the challenge, or the prospective or possible challenge, of the OPEC nations.

Q. Is that what you mean when you say that an increase from the Middle East

would be unacceptable, or do you have something else in mind, and could you spell that out? What does “unacceptable” mean?

THE PRESIDENT. It means that it is unacceptable in the sense that we as a nation individually and we as a nation in conjunction with our allies are going to find some answers other than OPEC oil.

Yes, Mr. Schieffer [Bob Schieffer, CBS News].

REPUBLIC OF KOREA

[9.] Q. Mr. President, in response to your comments to Helen at the beginning of the news conference, let me just ask you this question point blank: If North Korea attacked South Korea, would you use nuclear weapons to stop that?

THE PRESIDENT. I don't think, Mr. Schieffer, that I ought to, in a news conference like this, discuss what I might or would do under the circumstances you describe. We have a strong deterrent force, strategically and tactically, and of course, those forces will be used in a flexible way in our own national interest, but I do not believe it is in our national interest to discuss how or when they would be used under the circumstances——

Q. You are flatly not ruling it out, though?

THE PRESIDENT. I am not either confirming it or denying it. I am saying we have the forces and they will be used in our national interest, as they should be.

Mr. Lisagor [Peter Lisagor, Chicago Daily News].

THE SOVIET UNION

[10.] Q. Mr. President, your old sidekick, the former Secretary of Defense, Melvin Laird, has written in a magazine article that the Russians have repeatedly violated the SALT agreement and have mocked détente, and he also has some things to say about what they are doing in Portugal and the Middle East. How concerned are you about these charges?

THE PRESIDENT. I have investigated the allegations that the Soviet Union has violated the SALT agreements, that they have used loopholes to do certain things that were intended not to be done under the agreement.

I have found that they have not violated the SALT agreement, they have not used any loopholes. And in order to determine whether they have or they have not, there is a standing consultative group that is an organization for the purpose of deciding after investigation whether there have been any violations. And that group, after looking into the allegations, came to the conclusion there had been no violations.

Now, as I indicated in Brussels at a press conference, we are concerned about developments in Portugal. We do not believe that a Communist-dominated government in Portugal is compatible with NATO.

Now, it has not reached that stage yet, and we are hopeful that it will not, and some of the developments in the last several days are somewhat encouraging. We certainly have a concern and a care and a great friendship for the Portuguese people. And we will do what we can in a legitimate, proper way to make sure that the rights of the Portuguese people are protected.

CONFERENCE ON SECURITY AND COOPERATION IN EUROPE

[11.] Q. Can I also ask you in connection with this, do you then see that the European Security Conference is likely to come off as the Russians would like to have it come off, in late July, in Helsinki?

THE PRESIDENT. There have been rather protracted negotiations involving the European Security Conference. It didn't look a few months ago that there would be any conclusion this summer. But there have been some compromises made, and there may be some others achieved that would permit a summit this summer in Helsinki. But it has not yet reached the stage where I could say there will be a summit, because the compromises have not been finally achieved.

Yes, Carroll [Carroll Kilpatrick, Washington Post].

JOHN CONNALLY

[12.] Q. Mr. President, there has been a good deal of curiosity about your recent meeting with Governor Connally.¹ Do you expect him to take part in the campaign next year, or is he going to run himself?

THE PRESIDENT. Well, John Connally is an old and a very dear friend of mine. He is a man who has had vast experience in government. He was Governor of the State of Texas for 4 or 6 years, Secretary of the Navy under President Kennedy, he was Secretary of the Treasury under President Nixon.

He is the kind of a person with this experience who can be very helpful in giving advice, and we had a very broad discussion on a number of matters involving domestic affairs and foreign policy.

I hope in the months ahead that I can have future meetings of this kind with John Connally, because I admire him as a person and I respect his experience and ability in government.

I don't know whether he is going to run for any office or not. He didn't indicate that to me, but he does have a great interest in government, and he

¹ The President met with Mr. Connally at the White House on June 18, 1975.

said he was going to be interested in all aspects of policy, both domestic and foreign.

Yes, Mr. Warren [Lucian C. Warren, Buffalo Evening News].

1976 PRESIDENTIAL CAMPAIGN

[13.] Q. Mr. President, would you update us on your own campaign plans, when and how you plan to announce for the nomination and how much money your committee intends to raise in the primaries, whether you expect to face any primary opposition?

THE PRESIDENT. I did authorize a few days ago the filing of the necessary documents for the establishment of a committee so that money could be collected and disbursements could be made. Dean Burch was indicated as the chairman and David Packard was indicated as the treasurer.

This organization is the foundation of what we intend to do, and within a relatively short period of time, I will make a formal announcement that I will be a candidate. I have said repeatedly for some time that I intend to be one.

We have taken one step, another step will be taken very shortly, and we expect to raise sufficient money to put on a good campaign. It will be run exactly according to the law, and I don't know whether we will have pre-convention opposition or not.

It has always been my philosophy in politics that you run your own campaign, you run on your record, and you do your best to convince delegates they ought to vote for you—and the people, that they ought to vote for you. I never really predicate my plans on what somebody else might do.

OIL PRICES

[14.] Q. Mr. President, I would like to ask you, sir, you said that if the Arabs hike their oil prices or there were another embargo, it would be very disruptive for the economy. You have also said recently that the recession has bottomed out or is bottoming out. May I ask you what will happen to your predictions that the recession is bottoming out if the oil-producing nations hike the price of oil by \$2 to \$4 a barrel, as they are threatening to do this October?

THE PRESIDENT. If such an oil price were put into effect, it would have an impact on our economy. It would undoubtedly have a much more significant impact on the economies of Western Europe, Japan, and probably an even more adverse impact on the economies of the developing nations. It would have an adverse impact worldwide.

I think it would be very unwise for OPEC to raise their prices under these

circumstances, because an unhealthy economy in the United States and world-wide is not in their best interest.

Q. Mr. President, are you making any current efforts to persuade the oil-producing nations not to increase their prices this autumn, as they have threatened, and are you meeting with any success?

THE PRESIDENT. We are seeking to solidify our consumer nation organization so that we act in concert when we have to meet with the producing nations.

And equally importantly, I am trying to get the United States Congress to do something affirmatively in the field of energy so we don't have to worry about OPEC price increases.

ENERGY CONSERVATION

[15.] Q. Mr. President, on energy, much of the country does not seem to think that we have a real energy crisis. People are acting as if there is no tomorrow. And part of the problem may be that our leadership should show in a personal way how we can save energy. Could you tell us, sir, what you personally are doing, what the White House is doing, and what the Administration is doing to lead and show how we can save energy?

THE PRESIDENT. Secretary Morton, who is the head of the energy council in the White House, has been working with every department of the Federal Government to get them to reduce the consumption of energy—electricity.

We have taken other steps that are probably less significant but, I think, in the overall are helpful. In the White House, we try to be as conservative as possible in the utilization of electrical energy. I haven't checked the figures, but we do our best in that regard.

Q. Sir, in this line, would you endorse something that might save a great deal of energy and also strike a blow for male liberation, for example, endorse something like sportshirts for summer wear in Washington, D.C., and other hot climates?

THE PRESIDENT. Well, I am a great believer in that attire, but I am not sure that that would be too significant in the saving of energy, the kind of energy we are talking about.

Yes, Mr. Beckman [Aldo Beckman, Chicago Tribune].

SOVIET INTELLIGENCE ACTIVITIES

[16.] Q. Mr. President, the Rockefeller Commission was told about extensive electronic surveillance by Soviet intelligence agents and American ability to piggyback onto that monitoring. Can you tell us how long that has been going on and what is being done about it?

THE PRESIDENT. I don't think that I should comment on a matter of that kind. I can say very emphatically that we have an expert intelligence-gathering community in our Federal Government and we have a first-class counterintelligence organization in the United States Government. I have full faith in their responsibilities in any field such as that that you mention.

Yes, Mr. Knap [Ted Knap, Scripps-Howard Newspapers].

INFLATION AND UNEMPLOYMENT

[17.] Q. You said, in answer to an earlier question, that the unemployment rate projected by your chief economic advisers is unacceptable. That projection is that unemployment would remain at about 8 percent through most of next year, and you said you would consider asking for an extension of the tax cut. Is it your present thinking that you probably would recommend extending the tax cut if unemployment is that high, that is, about 8 percent at the start of next year?

THE PRESIDENT. I think you have to take into consideration not only the unemployment rate but also the impact an increase in the budget deficit of some \$20 billion, on inflation.

We have two very serious problems. One, we are licking inflation, and one, we are working on unemployment. And as we move ahead, we have to be most careful that we don't reignite the fires of inflation, because every economist with whom I have talked tells me that if in our efforts to do something quickly in the field of unemployment, we could end up with a new round of inflation, and if you have a new round of inflation of the magnitude of 10, 14, 15, 20 percent, you will have another recession, and unemployment at that time will go to about 14 to 15 percent.

So, what we have to do is very carefully, very judiciously look at both sides of the coin. And we are. And I believe that we have made great strides in doing something about inflation. And I am optimistic that we can do something about more employment and less unemployment.

MR. CORMIER. Thank you, Mr. President.

THE PRESIDENT. Thank you very much. Hope you had a good time out here.

NOTE: President Ford's sixteenth news conference began at 5 p.m. on the South Grounds of the White House. It was broadcast live on radio and television.

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**Letter to President Samora Moises Machel on United States
Recognition of Mozambique. June 25, 1975**

Dear Mr. President:

I am pleased to inform you that the United States Government extends recognition to Mozambique. It is our hope, with your agreement, that diplomatic relations can soon be established between our two countries.

We congratulate your leaders and their Portuguese colleagues on the wise statesmanship that has led to Mozambique's independence.

The American people share with the people of Mozambique the knowledge that hard-won individual liberty and national independence can be preserved only by unremitting labor and sacrifice.

As we strengthen and multiply our bonds of mutual friendship, I am confident of a future in which our two peoples will work together in the freedom, peace and security of all mankind.

Sincerely,

GERALD R. FORD

[His Excellency Samora Moises Machel, President of the People's Republic of Mozambique]

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**Remarks to Participants in the National YMCA Youth
Governors Conference. June 26, 1975**

LET ME congratulate all of you governors. I wish we could get the same applause from the duly elected Governors when they come down to the White House. I don't mean to be critical of them, because they have been very helpful in many ways, but I am very grateful for your very warm reception, and I wish to congratulate you on your election, your selection, and also the activities in which you are participating.

I think it is appropriate also to say that I believe the Reader's Digest does a fine job in making this program possible. Their support of it makes it feasible for all of you to come down and get firsthand some insight into the Government here, to get to know the people that are representing you in both the House and the Senate, and to talk firsthand with individuals in the executive branch of the Government.

The net result is, in due time—and I hope soon—all of you can become an active participant in the government in your respective areas, whether it is local, whether it is Statewide, or whether it is on the Federal level.

Let me say parenthetically, I am confident, with your educational background, the experiences that you have had and will have, and your interest, all of you will do an infinitely better job when you start running things than we have.

So, get prepared and be active, because it is important for the country as well as yourselves that when the time comes, you can do that job which is so important.

Let me just make an observation or two, because as you have talked to many, you have maybe gotten one side of the coin and not entirely the other, and I am not going to speak in a partisan way. But there is something that I think all of you ought to understand.

You know, we have a judicial branch, an executive branch, and a legislative branch, and they all perform a very important function.

Our forefathers so wisely decided they didn't want one person or one group in our society dominating all of the rest, and so they established this system of checks and balances—the executive being checked by the judiciary and by the legislative and vice versa.

And this system has ended up giving us a tremendously effective government, protecting our individual rights, and also giving us the flexibility to meet our problems.

You may have read and you may have heard there is a confrontation between the executive branch on the one hand and the legislative branch on the other, probably best exemplified by the four vetoes that I have exercised where, on the reconsideration by the Congress, the House of Representatives has sustained in each case the four vetoes. Some people are alleging that we have a stalemate, that we are not making headway. Let me convince you otherwise.

But first, let me explain what the function is of a veto. The Constitution says that a President can exercise a veto and that if it is to be overridden and the legislation is to become law, two-thirds of the House and the Senate must override.

Now, in the case of the four vetoes where the Congress has sustained my vetoes, we haven't been deadlocked into no action. The facts are that in two of the cases, the fact that I vetoed what I think is bad legislation and where there has been a sustaining of the veto, the Congress has come back after reconsideration and actually submitted—or is in the process of submitting—legislation that is good legislation or infinitely better legislation than that which was vetoed.

So, the exercise of the veto has kept the country from having a bad law on the statute books, because the Congress has then understood that they had to do a better job.

In the case of housing, I think we will have that result. We will get a good housing bill.

In the case of the appropriation bill where they increased my recommendation by \$3 billion, where they added to my proposal for a summer youth employment program, and where they added money over and above the public service program that I recommended, added \$3 billion with a whole raft of goodies that couldn't be justified economically, they have now done what? They have taken the summer youth program which I recommended, they added a few minor items, but basically they appropriated the money that I proposed.

In the case of housing, it appears they are going to more or less go along with the recommendations that I made.

What I am saying is, our forefathers gave to a President a tool to get the Congress to think, to reconsider, and to come back with something that is more acceptable to the executive branch of the Government, a program that is a better program for the people as a whole. And that is what we really want. We don't want legislation that is indefensible; we want legislation that financially and otherwise is in the best interest of all the people.

Now, there is another problem that you may have heard about. It is a little different. It is traditional that a President recommends legislation. This is the system, the way it works.

Usually it is recommended in what we call a State of the Union message, given when Congress reconvenes, but it can be done on other occasions—like I am sending up today a proposal for what we call a uranium enrichment program, which is of vital importance for us to build facilities to supply our nuclear power and to supply to foreign customers the necessary ingredients.

But the point that I want to make here is, in January I submitted a very comprehensive energy program that would, if enacted into law, get the American people to conserve energy, which is necessary, and secondly, the program I have proposed would stimulate domestic sources of energy, because the United States today is very vulnerable to the foreign oil producers.

If we had an oil embargo today, we would be worse off in gasoline, in fuel oil, in all crude oil products than we were in 1973.

How many of you can remember standing at the gas station? You couldn't get gas unless you waited a long time. How many of you can remember the other inconveniences that you had to go through because there was an oil embargo?

If we had an oil embargo today, we would be worse off, because Congress has not enacted as I recommended or they have not enacted something that they have proposed.

So, in this case there has to be some push on the Congress from me, from the American people, to get off dead center and enact an energy program. Otherwise, we will be more and more vulnerable to foreign sources, and we can't afford that from the point of view of our country's national security, our country's economic prosperity.

And therefore, as you go back home and have an opportunity to talk to others, please get your friends, as well as yourselves, to get Congress to move ahead in the field of energy, either on the program that I have recommended or some program that they will put together. We cannot condone a lack of action on the part of the Congress in the field of energy.

This is a little different problem from the veto problem that I discussed earlier, but it is all part of how our Government works. In each case, what is being done in the case of the vetoes and better legislation, that is part of our Constitution. In the case of no action, that is the prerogative of the Congress. I think it is wrong where they don't do anything. But at least that is their prerogative.

And the way to get the Congress to move—and I spent 25 years there, so I know a little bit about how the Congress either works or does not work, and I know that if people back in their respective districts or respective States say, "Move," the Members of Congress will act, and act, I think, in most cases, responsibly.

Well, this is a great opportunity for me to talk to not only leaders in your own right but prospective leaders in the future.

Good luck, and I am confident, after most of us who are here now are out of the picture, we can look and say, those young governors that came down to Washington in this program are doing a better job than we did.

Good luck, and the very best to you.

Thank you.

GREGORY ROSE. Mr. President, it is my privilege and honor, being Youth Governor from Michigan, to present you at this time a card and certificate of your membership in the National Society of YMCA Youth Governors, of which we are all members, of which there are about 500 members, starting in 1962, throughout the United States.

And as a small symbol of our appreciation, we would like to present you this book "Mankind and the Turning Point," which we would appreciate your reading. [*Laughter*]

THE PRESIDENT. Thank you very much, Gregory, and thank all of you. I never made it as a Governor—[*laughter*—]—so I am glad to be a part of the Society of Governors. And I thank you for thinking of me, and I will make an effort, I will do my best to try and read it.

Thank you, and good luck to you.

I congratulate the YMCA. I congratulate the Reader's Digest. And most importantly, I congratulate all of you.

The very best to you.

Thank you very, very much.

NOTE: The President spoke at 10:53 a.m. in the Cabinet Room at the White House.

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Remarks About Proposed Legislation To Increase Enriched Uranium Production. *June 26, 1975*

I WILL read a statement before signing the message or messages that will go to the Congress.

Because our oil and natural gas resources are fast being depleted, we must rely more and more on nuclear power as a major source of energy for the future.

Today, I am asking the Congress to join me in embarking the Nation on an exciting new course of action which will help to assure the energy independence that we need and significantly strengthen our economy at home at the same time. I am referring to the establishment of an entirely new competitive industry to provide uranium enrichment service for nuclear power reactors.

The legislation that I am seeking will reinforce the world leadership we now enjoy in uranium enrichment technology. It will help ensure the continued availability of reliable energy for America. It will move America one big step nearer energy independence.

This legislation will insure that the billions of dollars required for the construction of new enrichment plants will be borne by the private sector, not by the American taxpayer. But all of us will benefit directly from the service which private enterprise will provide.

I urge the Congress to act swiftly and favorably on this important new energy initiative. With this comprehensive approach, the United States can reopen its uranium enrichment "order book," reassert its supremacy as the world's major

supplier of enriched uranium, and develop a strong private enrichment industry to help bolster the national economy.

So, it is with pleasure and hope that I sign the message to go to both the House and the Senate and ask the Congress to move as rapidly as possible in order that we can achieve the objectives which are so important.

Thank you very much.

NOTE: The President spoke at 11:23 a.m. at a ceremony in the Cabinet Room at the White House. Earlier in the day, the President met at the White

House with Congressional members of the Joint Committee on Atomic Energy to brief them on the proposals contained in the message.

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Special Message to the Congress Proposing Legislation To Increase Enriched Uranium Production. June 26, 1975

To the Congress of the United States:

Every so often, a Nation finds itself at a crossroads. Sometimes, it is fortunate and recognizes it has a choice. Sometimes, it does not.

We are at such a crossroads in America today.

The course we select will touch the lives of most of us before the end of this century and surely affect the lives of generations of Americans yet to come.

Today, I am asking the Congress to join me in embarking this Nation on an exciting new course which will help assure the energy independence we seek and a significantly strengthened economy at the same time.

I am referring to the establishment of an entirely new private industry in America to provide the fuel for nuclear power reactors—the energy resource of the future. I am referring to uranium enrichment which is presently a Federal Government monopoly.

Without question, our energy future will become more reliant on nuclear energy as the supplies of oil and natural gas diminish.

The questions we must answer are (1) whether the major capital requirements for constructing new uranium enrichment facilities will be paid for by the Federal taxpayer or by private enterprise, and (2) whether a major new and expanding segment of our economy will be under the control of the Federal Government or the private sector.

The private sector has already demonstrated its capability to build and operate uranium enrichment facilities under contracts with the Federal Government. Since it is also willing to provide the capital needed to construct new uranium enrichment plants, I am asking the Congress to enact legislation to

enable American industry—with all its financial resources, management capability and technical ingenuity—to provide the enriched uranium needed to fuel nuclear power plants.

I believe this is the proper and correct course for America to take. The alternative is continued Federal monopoly of this service at a cost to the taxpayers of at least \$30 billion over the next 15 years.

The enrichment of uranium—which means, in brief, separating the fissionable U-235 in uranium from nonfissionable parts to provide a more potent mixture to fuel nuclear reactors—is an essential step in nuclear power production.

For more than twenty years, the United States Government has supplied the enrichment services for every nuclear reactor in America and for many others throughout the world. Our leadership in this important field has enabled other nations to enjoy the benefits of nuclear power under secure and prudent conditions. At the same time, this effort has been helpful in persuading other nations to accept international safeguards and forego development of nuclear weapons. In addition, the sale of our enrichment services in foreign countries has returned hundreds of millions of dollars to the United States.

These enrichment services have been provided by plants—owned by the Government and operated by private industry—in Oak Ridge, Tennessee, Portsmouth, Ohio, and Paducah, Kentucky. A \$1-billion improvement program is now underway to increase the production capacity of these plants by 60 percent. But this expanded capacity cannot meet the anticipated needs of the next 25 years.

The United States is now committed to supply the fuel needs for several hundred nuclear power plants scheduled to begin operation by the early 1980's. Since mid-1974, we have been unable to accept new orders for enriched uranium because our plant capacity—including the \$1-billion improvement—is fully committed.

In short, further increases in enrichment capacity depend on construction of additional plants, with seven or eight years required for each plant to become fully operational.

Clearly, decisions must be made and actions taken today if we are to insure an adequate supply of enriched uranium for the nuclear power needs of the future and if we are to retain our position as a major supplier of enriched uranium to the world.

It is my opinion that American private enterprise is best suited to meet those needs. Already, private industry has demonstrated its willingness to pursue the major responsibilities involved in this effort. With proper licensing, safeguards,

cooperation and limited assurances from the Federal Government, the private sector can do the job effectively and efficiently—and at enormous savings to the American taxpayer. In this way, direct public benefits will be provided on a long-term basis by private capital, not by taxpayers.

Accordingly, I am proposing legislation to the Congress to authorize Government assurances necessary for private enterprise to enter into this vital field.

A number of compelling reasons argue for private ownership, as well as operation, of uranium enrichment plants. The market for nuclear fuel is predominantly in the private sector. The process of uranium enrichment is clearly industrial in nature.

The uranium enrichment process has the making of a new industry for the private sector in much the same tradition as the process for synthetic rubber—with early Government development eventually being replaced by private enterprise.

One of the strengths of America's free enterprise system is its ability to respond to unusual challenges and opportunities with ingenuity, vigor and flexibility. A significant opportunity may be in store for many firms—old and new—to participate in the growth of the uranium enrichment industry. Just as coal and fuel oil are supplied to electric utilities by private firms on a competitive basis, enriched uranium should be supplied to them in the same fashion in the future.

The energy consumer also stands to benefit. The production of nuclear power now costs between 25 and 50 percent less than electricity produced from fossil fuels. It is not vulnerable to the supply whims or unwarranted price decrees of foreign energy suppliers. And based on the past fifteen years of experience, commercial nuclear power has an unparalleled record of safe operation.

The key technology of the uranium enrichment process is secret and will remain subject to continued classification, safeguards and export controls.

But for several years, a number of qualified American companies have been granted access to the Government's technology under carefully controlled conditions to enable them to assess the commercial potential for private enriching plants.

The Government-owned gaseous diffusion enriching plants have run reliably and with ever-improving efficiency for more than a quarter of a century. One private group has chosen this well-demonstrated process as part of its \$3.5 billion proposal to build an enrichment plant serving 90 nuclear reactors here and abroad in the 1980's. Others are studying the potential of the newer gas centrifuge process. Though not yet in large-scale operation, the centrifuge proc-

ess—which uses much less power than the older process—is almost ready for commercial application.

I believe we must move forward with both technologies and encourage competitive private entry into the enrichment business with both methods. A private gaseous diffusion plant should be built first to provide the most urgently needed increase in capacity, but we should proceed simultaneously with commercial development of the centrifuge process.

With this comprehensive approach, the United States can reopen its uranium enrichment “order book,” reassert its supremacy as the world’s major supplier of enriched uranium, and develop a strong private enrichment industry to help bolster the national economy.

For a number of reasons, a certain amount of governmental involvement is necessary to make private entry into the uranium enrichment industry successful.

The initial investment requirements for such massive projects are huge. The technology involved is presently owned by the Government. There are safeguards that must be rigidly enforced. The Government has a responsibility to help ensure that these private ventures perform as expected, providing timely and reliable service to both domestic and foreign customers.

Under the legislation I am proposing today, the Energy Research and Development Administration would be authorized to negotiate and enter into contracts with private groups interested in building, owning and operating a gaseous diffusion uranium enrichment plant.

ERDA would also be authorized to negotiate for construction of several centrifuge enrichment plants when more definitive proposals for such projects are made by the private sector.

Contract authority in the amount of \$8 billion will be needed, but we expect almost no actual Government expenditures to be involved. In fact, the creation of a private enrichment industry will generate substantial revenues for the United States Treasury through payment of Federal income taxes and compensation for use of Government-owned technology.

Under the proposed arrangements, there will be an opportunity for foreign investment in these plants, although the plants will remain firmly under U.S. control. There will be no sharing of U.S. technology and, there will be limitations on the amount of capacity each plant can commit to foreign customers.

In addition, all exports of plant products will continue to be made pursuant to Governmental Agreements for Cooperation with other Nations. All will be subject to appropriate safeguards to preclude use for other than agreed peaceful purposes.

Foreign investors and customers would not have access to sensitive classified technology. Proposals from American enrichers to share technology would be evaluated separately, and would be subject to careful Government review and approval.

Finally, the plants proposed will be designed and built to produce low enriched fuel which is suitable only for commercial power reactors—not for nuclear explosives.

In the remote event that a proposed private venture did not succeed, this legislation would enable the Government to take actions necessary to assure that plants will be brought on line in time to supply domestic and foreign customers when uranium enrichment services are needed.

I have instructed the Energy Research and Development Administration to implement backup contingency measures, including continuation of conceptual design activities, research and development, and technology assistance to the private sector on a cost-recovery basis.

ERDA would also be able to purchase from a private firm design work on components that could be used in a Government plant in the unlikely event that a venture fails.

Finally I pledge to all customers—domestic and foreign—who place orders with our private suppliers that the United States Government will guarantee that these orders are filled as needed. Those who are first in line with our private sources will be first in line to receive supplies under this assurance. All contracted obligations will be honored.

I also pledge that cooperative agreements made with private firms under the proposed new authority will fully reflect the public interest. In fact, all contracts will be placed before the Congress in advance of their effectiveness. The Congress will have full and complete review of each one.

In sum, the program I am proposing will take maximum advantage of the strength and resourcefulness of industry and Government.

It will reinforce the world leadership we now enjoy in uranium enrichment technology. It will help insure the continued availability of reliable energy for America. It will move America one big step nearer energy independence.

Although the development of a competitive nuclear fuel industry is an important part of our overall energy strategy, we must continue our efforts to conserve the more traditional energy resources on which we have relied for generations. And we must accelerate our exploration of new sources of energy for the future—including solar power, the harnessing of nuclear fusion and development of nuclear breeder reactors which are safe, environmentally sound and reliable.

I ask the Congress for early authorization of this program.

GERALD R. FORD

The White House,
June 26, 1975.

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Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation To Increase Enriched Uranium Production. June 26, 1975

I HAVE today sent to the Congress a message describing my plan for securing the construction of additional uranium enrichment plants in the United States by private industry to meet the growing needs of the expanding nuclear power industry.

A critical element of this plan is legislation to authorize the Administrator of the Energy Research and Development Administration to enter into cooperative agreements with private firms to foster, through Government cooperation and temporary assurances, the creation of a competitive private uranium enrichment industry. I am enclosing a proposed bill, the Nuclear Fuel Assurance Act of 1975, which would provide the authority needed to achieve the objectives described in my message. A brief analysis of the bill is also enclosed.

I urge the Congress to pass this legislation at the earliest possible date so that we can take a major step toward our goal of energy independence.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate. The texts of the draft bill and the bill analysis were included as part of the release.

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Letter Accepting the Resignation of Caspar W. Weinberger, Secretary of Health, Education, and Welfare. June 26, 1975

Dear Cap:

I have your letter and, while I would greatly prefer that you were able to remain as a member of my team, I want you to know that I understand and

sympathize with the personal considerations which prompt you to present your resignation at this time. It is, therefore, with the deepest regret that I accept your resignation as Secretary of Health, Education, and Welfare, effective August 10, 1975, as you requested.

This Administration has been blessed with many men and women of outstanding leadership, but few have matched the skill, dedication, versatility and good judgment which you brought to the public service. At both the State and Federal levels, you have accepted positions of great trust and responsibility, creating an exceptional record of achievement, personal integrity and unswerving devotion to duty. As Chairman of the Federal Trade Commission, Director of the Office of Management and Budget and now as Secretary of H.E.W., your sure grasp of difficult issues affecting the lives of all Americans has truly earned their lasting gratitude and my own profound respect.

While I am, of course, especially grateful for your able leadership at H.E.W., I welcome this opportunity to also express my appreciation for your sound counsel and loyal assistance, both as a member of my Cabinet and as a friend. With your help, I am confident we have been able to make not just tough decisions, but more importantly, responsible decisions which are right for America.

Now, as you prepare to return to private life, I hope you will always look back with a special sense of satisfaction on your distinguished contributions to this Administration and to our efforts to assure the present and future well-being of all our fellow citizens. Betty joins me in extending to Jane and you our heartfelt best wishes for your happiness, success and good health in the years ahead.

With warmest personal regards,

JERRY FORD

[The Honorable Caspar W. Weinberger, Secretary of Health, Education, and Welfare, Washington, D.C. 20201]

NOTE: Secretary Weinberger's letter of resignation, dated June 23, 1975, read as follows:

Dear Mr. President:

It is a source of deep regret to me that I cannot accept your request that I serve in my present post until the end of your term, but for the reasons with which you are familiar it is not possible for me to remain in Washington that long, and, therefore, I must submit my resignation as Secretary of Health, Education, and Welfare, effective August 10, 1975, which I understand is the date most convenient for my successor.

I have been honored beyond measure to serve in your Administration. You have, by your own char-

acter and example, your unquestioned integrity, and your courageous, decisive leadership, been personally responsible for the remarkable revival of the national spirit and morale which we have experienced in the past year, and which we so sorely needed. For that and for your unfailing kindness to me I shall always be most grateful.

With my best wishes for your continued success and good health,

Sincerely,

CASPAR W. WEINBERGER

[The President, The White House, Washington, D.C.]

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**Message to the Congress Transmitting Annual Report of
the Director of the National Heart and Lung Institute.**

June 27, 1975

To the Congress of the United States:

I am transmitting herewith the Second Annual Report of the Director of the National Lung Institute, as required by the National Heart, Blood Vessel, Lung, and Blood Act of 1972. This report was prepared in consultation with the National Heart and Lung Advisory Council, and it is accompanied by a program plan for the next five years.

The five-year resource allocation projection proposes two levels of expenditures for fiscal years 1977 through 1981, both of which are in excess of what has been requested in the 1976 budget. The report states that these projected expenditures are based on scientific judgment of these particular research areas, but correctly recognizes that the allocation of national resources for the program must be determined in relationship to other competing national needs and in accord with the total resources available for Federal programs.

The report describes encouraging progress. Since 1969, deaths caused by the number one killer—coronary heart disease—have shown a decline of about two percent, or 14,000 deaths, per year. Deaths from stroke, hypertension and rheumatic heart disease are continuing their downward trend, and the death rate from emphysema and chronic bronchitis, after years of sharp increases, has leveled off.

Investments in the National Heart, Blood Vessel, Lung, and Blood Program are showing results. I am hopeful that this momentum will be maintained and, through successful research and its application in medical practice, loss of lives from heart, blood vessel, lung, and blood diseases will be further reduced.

GERALD R. FORD

The White House,

June 27, 1975.

NOTE: The report, prepared by the Department of Health, Education, and Welfare, is entitled "National Heart, Blood Vessel, Lung and Blood Pro-

gram—Second Annual Report of the Director of the National Heart and Lung Institute" (169 pp. plus appendixes).

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Message to the Congress Transmitting Annual Report on the Administration of the Radiation Control for Health and Safety Act of 1968. June 27, 1975

To the Congress of the United States:

I transmit herewith the 1974 annual report on the administration of the Radiation Control for Health and Safety Act (Public Law 90-602), as prepared by the Secretary of the Department of Health, Education, and Welfare.

The report's only recommendation is that the requirement for the report itself, as contained in P.L. 90-602, be repealed. All of the information found in the report is available to Congress on a more immediate basis through congressional committee oversight and budget hearings. The Department of Health, Education, and Welfare has concluded that this annual report serves little useful purpose and diverts agency resources from more productive activities.

GERALD R. FORD

The White House,
June 27, 1975.

NOTE: The 93-page report is entitled "1974 Annual Report—Administration of the Radiation Control for Health and Safety Act of 1968, Public Law 90-602, April 1, 1975."

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Message to the Congress Transmitting Annual Report on Occupational Safety and Health Activities of the Federal Government. June 27, 1975

To the Congress of the United States:

I am submitting today the third President's report on the occupational safety and health activities of Federal Government carried out under the Occupational Safety and Health Act of 1970.

This report—covering programs of the Department of Labor, the Department of Health, Education, and Welfare, and the Occupational Safety and Health Review Commission for calendar year 1973—indicates significant progress toward the goal of a safe and healthful work environment for all Americans. It also points to the tasks ahead.

Government efforts in occupational safety and health began to show signifi-

cant results in 1973. Increased public attention was focused on the problems of workplace hazards. This awareness was reflected in a number of areas—collective bargaining agreements, union and industry safety and health program activities, and industry association and journal articles, among others.

Another achievement in 1973 was the development of State occupational safety and health programs. The Department of Labor approved twenty new State plans marking important progress toward development of an integrated Federal-State partnership in occupational safety and health.

During 1973, the National Institute of Occupational Safety and Health (NIOSH) in the Department of Health, Education, and Welfare—which has responsibility for occupational safety and health research—significantly increased knowledge of toxic substances and other causes of unhealthy working environments. It also further developed detailed criteria for use by the Department of Labor in establishing standards governing the use of hazardous substances in the workplace.

This report contains results of the first full-year occupational injury and illness survey, covering 1972. This survey by the Bureau of Labor Statistics will become the base for the future measure of progress in reducing deaths, injuries, and illnesses caused by workplace conditions.

The 1973 report is another step in providing a record of our Government's efforts in behalf of a safe and healthful work environment for all Americans. All of us share this goal of improving the welfare of the working men and women of our country.

GERALD R. FORD

The White House,
June 27, 1975.

NOTE: The report is entitled "The President's Report on Occupational Safety and Health—Annual Report for 1973" (Government Printing Office, 156 pp.).

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Statement Urging Extension of Automobile Emission Standards Deadline. *June 27, 1975*

EARLIER this year, I submitted to the Congress my proposed Energy Independence Act of 1975. In that comprehensive proposal, I recommended that the Congress modify provisions of the Clean Air Act of 1970 related to automobile emissions. I proposed strict emission controls that would still permit America to

achieve a high-priority energy goal—a 40-percent improvement in automobile fuel efficiency within 4 years.

Since that time, I have received information concerning potential health hazards from certain automobile pollution control devices first used on 1975 cars. In response to this information, I ordered an executive branch review of the problem and asked the appropriate officials to consider the various impacts of a range of emission alternatives as they relate to public health, energy goals, consumer prices, and environmental objectives.

This review has now been completed. We have carefully surveyed this matter with many scientists and other qualified authorities. Although there is some disagreement on the data and conclusions, there is general accord that it is impossible to accurately predict the adverse impacts likely to result if we move to stricter automobile pollution standards now. Most of the experts agree that tighter emission controls will limit the fuel economy potential of our cars, and all agree that they will increase costs to the consumer.

As the automobile manufacturers have responded to Federal requirements to remove pollutants from automobile exhaust, other unregulated pollutants with potentially serious health implications have been produced. The same devices designed to control some emissions may result in the creation or aggravation of other pollutants. The result of government-mandated changes to our automobiles could actually increase prices, without substantial environmental benefits but with possible new risk to the Nation's health.

As a result of actions already taken, the automobile is rapidly becoming less of a contributor to air pollution. A major part of our task is behind us. But it was the easiest part. We have now reached the point where the further incremental progress we all want can only be achieved slowly and at higher cost.

I, therefore, urge the Congress to consider how uncoordinated Federal laws mandating automobile fuel efficiency and emission control might work against each other, and how they will affect other national objectives such as public health and a strong economy.

In view of these considerations, I have decided to revise my Administration's position proposed in the energy independence act. We simply cannot afford to be wrong on such serious policies. I have concluded that we should maintain the current automobile emission standards through model year 1981. This will enable us to achieve the following objectives:

Health—Avoid increasing the potential adverse health impacts of certain automobile emission devices by retaining current controls on known health hazards, such as carbon monoxide and hydrocarbons, without the risk of in-

creasing other imperfectly understood but potentially dangerous pollutants such as sulfuric acid.

Energy—Achieve an increase of 40 percent or greater in automobile fuel efficiency by 1980.

Environment—Achieve almost all the environmental objectives we would have achieved by going to stricter standards.

Economy—Minimize the inflationary impact of Federal regulations on the cost of automobiles to consumers. Avoid aggravating unemployment, especially in the automobile industry.

I recognize that this position modifies the auto emission standards contained in my proposed Energy Independence Act of 1975, which I transmitted to the Congress on January 30. However, as pointed out in recent testimony during Congressional hearings, the Administrator of the Environmental Protection Agency has already noted that it is necessary to adjust the strict emission standards that I proposed. Administrator Train held hearings which considered the problem of sulfuric acid mist emitted from cars equipped with catalytic converters. Most new cars are equipped with the converter to meet current emission standards. The Administrator concluded that this is a potentially serious health hazard. The Secretary of Health, Education, and Welfare agrees.

Evidence brought out at the EPA hearings and by other Government reports shows that current catalytic converters do not emit enough sulfuric acid to constitute any immediate danger. However, if the auto emission standards are further lowered, as would be required if no change is made in the current law, then changes in the catalytic converter control system would be mandatory. This could produce substantially more sulfuric acid. This poses a health risk which my advisers believe we should not accept.

The Nation needs long-term automobile fuel efficiency and emission control policies so that we can begin to build cars meeting responsible energy and environmental standards. By replacing the current fleet with new cars offering more fuel efficiency while generating less pollution, we will make substantial progress toward our goals of better fuel efficiency, economic recovery, and a healthier environment.

I deplore the delay in resolving the conflict between Federal energy and environmental policies and laws. Such delays will only contribute to further economic disruption and continuing unacceptable levels of unemployment. Lack of a comprehensive and balanced policy would allow one objective to go forward at the expense of other critical national goals.

It may be that additional Government standards will be required in future

years. This is something which EPA and other Government agencies will work on in cooperation with the appropriate committees of Congress.

Today, we cannot shirk our responsibility to make decisions that establish realistic ground rules. We cannot afford to ignore the sulfuric acid problem. But our response must be more than simply another Government decree that sets another standard that could create another problem. We have a positive obligation to ensure that the steps we take today do not aggravate potentially serious health hazards.

Other technical information was brought to my attention as I reached my automobile emissions decision. In addition to a statement of facts, which I am making public today, I have asked my advisers to consult with the appropriate Members of the Congress, particularly the committees now considering legislation in this field. They will be available to discuss these complex and inter-related issues and to provide all the detailed information available to the executive branch.

I urge the Congress to carefully consider all the issues involved in the potential conflict that one national objective—clean air—might have on our efforts to reach other national goals.

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**Remarks at the Swearing In of Daniel P. Moynihan as
United States Representative to the United Nations.**

June 30, 1975

Mr. Justice White, distinguished Members of the Congress, ladies and gentlemen:

It is a great privilege and pleasure for me to have the opportunity of participating in this wonderful occasion today, the swearing in of Ambassador Moynihan as the Representative of the United States at the United Nations and as the newest member of our Cabinet.

Ambassador Moynihan has served our Nation, both in and out of government, with a refreshing innovation and intellectual distinction. He served in the White House under the previous administration as a Counsellor to the President and, more recently, as our Ambassador in India.

He has combined over the years other Federal and State government service with an outstanding service as an educator. His numerous writings have earned him a reputation as an outstanding political, economic, and social philosopher.

Above all, he knows what America is all about and what it actually stands for, and he knows our role in international affairs. The challenges that the United Nations now confronts are of tremendous consequence for our own future and for the entire world.

Our Representative must be a person of high ideals and steadfast purpose. Ambassador Moynihan is the right man for the job.

The United States was the chief architect of the United Nations. We joined with others during the dreadful suffering of World War II to conceive an organization for peace and to serve all mankind.

We have been determined supporters of the United Nations, and we will continue to be so in the future. There is no other course, as I see it, consistent with our advocacy of peace and justice for all humanity.

As the need for worldwide cooperation developed, so did the inherent difficulty in finding practical solutions which must advance the enlightened self-interest of the United States as well as the interests of others.

We face not only the fundamental task of maintaining international peace and security but also entirely new problems for world economic interdependence.

We must deal with new political problems as developing nations press forward vigorously to correct what they see as injustices. In this developing situation, we will concentrate on practical and mutually beneficial projects and we will strive for universal cooperation.

We will engage at the United Nations in a dialog of candor and directness and of understanding and respect for the concerns of all member nations. We will seek concrete achievement. We will work with firmness and with patience in a determined effort to foster mutually beneficial relations with the developing world.

At the same time, we will firmly resist efforts by any group of countries to exploit the machinery of the United Nations for narrow political interests or for parliamentary manipulation.

Ambassador Moynihan takes on this very serious responsibility at a time when a vast and vital agenda is before the world; the realization of agreed goals in the area of food and population, the resolution of international conflicts, the strengthening of peacekeeping forces, and a new law of the sea treaty, and of course, economic prosperity for all.

Ambassador Moynihan will carry on in the very high tradition of Ambassador Scali and his other distinguished predecessors. He will have my complete support and that of Secretary Kissinger. His service at the United Nations will

be another distinguished contribution in a very distinguished career in a wide variety of areas.

It is my privilege now to ask Justice White to administer the oath to Ambassador Moynihan.

NOTE: The President spoke at 12:40 p.m. in the Rose Garden at the White House. Byron R. White, Associate Justice of the Supreme Court, administered the oath of office.

Ambassador Moynihan's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 694).

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Remarks Upon Signing the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975.

June 30, 1975

I AM signing into law today H.R. 6900, the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975. This act will ensure continued unemployment compensation benefits to Americans whose benefits would have expired on July 1.

The unemployment compensation system is our most important means of assistance for those Americans whose jobs have been lost as a result of economic recession.

Fortunately, we are now seeing signs in the economy that the worst of the downturn is over and that recovery has already begun. But we do know from past experience that it will take time before the effects of the overall improvement in the economy are reflected in substantial reductions in the unemployment rate.

We must, therefore, continue to provide support for those out of work as they seek jobs. That is the purpose and the promise of the legislation I am signing today.

In April, I proposed a bill to extend the availability of unemployment benefits. Since then, the close coordination and cooperation between the Congress and the Administration have resulted in the bill now before me.

I am gratified that as a result of this cooperative spirit, we will be able to ensure that additional unemployment compensation benefits will continue to be available to help ease the burden of the unemployed until they are back at work again. I pledge the continued efforts of this Administration to speed that day's arrival.

NOTE: The President spoke at 3:05 p.m. at a ceremony in the Oval Office at the White House.

As enacted, H.R. 6900 is Public Law 94-45 (89 Stat. 236).

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Special Message to the Congress Reporting on Budget Rescissions and Deferrals. July 1, 1975*To the Congress of the United States:*

I herewith propose three rescissions and report twenty-seven deferrals in accordance with the Impoundment Control Act of 1974. The rescission proposals total \$123.7 million and the deferrals total \$2,729.4 million for a total of \$2,853.0 million in fiscal year 1976 budget authority.

Funds for two highway programs, one duplicating an existing system and one that could be funded through Federal-aid highway funds now available to the States, are proposed for rescission. The third rescission proposal reflects a recent Congressionally-approved change in program needs by requesting reduced funding for the Federal Law Enforcement Training Center. The deferrals are primarily routine in nature and do not affect program levels. The details of each rescission proposal and deferral are contained in the attached reports.

I urge the Congress to act promptly on the proposed rescissions.

GERALD R. FORD

The White House,
July 1, 1975.

NOTE: The attachments detailing the rescissions and deferrals are printed in the Federal Register of July 9, 1975 (40 FR 29001).

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Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation To Provide Commonwealth Status for the Northern Mariana Islands. July 1, 1975

I AM transmitting herewith a proposed Joint Resolution which would provide Congressional approval of the "Covenant to Establish A Commonwealth of the Northern Mariana Islands in Political Union with the United States of America."

On June 17, 1975, the people of the Northern Mariana Islands of the Trust Territory of the Pacific Islands overwhelmingly approved the Covenant in a United Nations-observed plebiscite. This historic act of self-determination was the capstone of more than twenty years of continuous effort on the part of the

people of the Marianas District to enter into close union with the United States. This action has now cleared the way for the submission of the Covenant to the Congress of the United States for its formal consideration.

The passage by the Congress of the Joint Resolution approving the Northern Mariana Islands Commonwealth Covenant will set into motion a series of progressive steps which will result in: the administrative separation of the Northern Mariana Islands from the Government of the Trust Territory of the Pacific Islands; the adoption of a locally-drafted and popularly-approved Constitution for the Northern Mariana Islands; and finally, following the termination of the Trusteeship Agreement for all of the Trust Territory of the Pacific Islands, the conferral of Commonwealth status on the Northern Mariana Islands as a territory of the United States as provided for by the Covenant.

The Covenant Agreement I am presenting to the Congress today was signed on February 15, 1975, by the Marianas Political Status Commission for the Northern Mariana Islands and by Ambassador F. Haydn Williams for the United States. It is the result of more than two years of negotiations between the United States and a broadly representative delegation from the Northern Mariana Islands. Prior to and during the talks, the people of the Northern Mariana Islands actively participated in open discussions of the various aspects of the proposed relationship. Likewise, the Executive Branch consulted frequently with members of the U.S. Congress regarding the progress of the negotiations and actively sought the advice and guidance of the Congress, much of which is reflected in the final provisions of the Covenant.

Following the signing, the Covenant was submitted to the Marianas District Legislature for its review and approval. On February 20, 1975, the elected representatives of the people of the Northern Mariana Islands through the District Legislature unanimously approved the Covenant and requested the United States to arrange for an early Plebiscite. The Plebiscite was carried out in accordance with an Order issued by the Secretary of the Interior on April 10, 1975. It was conducted under the supervision of my personal representative, Mr. Erwin D. Canham, whom I appointed to serve as Plebiscite Commissioner. On June 22, 1975, Commissioner Canham certified that 78.8 percent of the people in the Marianas who voted had approved the Covenant.

The next step in the approval process is action by the U.S. Congress. The enclosed Joint Resolution, when approved, will provide the authority to begin the gradual and progressive implementation of the terms of the Covenant. This process hopefully will have been completed by 1981 when we expect the Trusteeship over all of the Trust Territory of the Pacific Islands will have been ter-

minated following a similar act of self-determination by the other districts of the TTPI.

All of the provisions of the Covenant are the product of detailed negotiations extending over a two year period. I want to call your attention particularly to the financial assistance provisions in light of the new procedures established by the Congressional Budget Act.

Article VII of the resolution specifically constitutes a commitment and pledge of the full faith and credit of the United States for the payment, as well as for the appropriation, of guaranteed levels of direct grant assistance totalling \$14,000,000 per year, in 1975 constant dollars, to the Government of the Northern Mariana Islands for each of the first seven full fiscal years after approval by the Federal Government of the locally adopted Constitution. The same amount would be paid in future years unless changed by the Congress. A pro rata share of the \$14,000,000 is authorized to be appropriated for the first partial fiscal year after the Constitution has been approved. Article VIII of the resolution authorizes the appropriation of \$19,520,600 to be paid to the Government of the Northern Mariana Islands for the 50 year lease, with the option of renewing the lease for another 50 years at no cost, of approximately 18,182 acres of lands and waters immediately adjacent thereto.

In addition to these specific authorizations for appropriations, Article VII authorizes the Government of the Northern Mariana Islands to receive the full range of Federal programs and services available to the territories of the United States, as well as the proceeds of numerous Federal taxes, duties and fees—the same treatment as is presently afforded to the Territory of Guam.

I urge the Senate and the House to take early, positive action to approve the Northern Mariana Islands Commonwealth Covenant which will thereupon become law in accordance with its provisions. Favorable consideration by the Congress will represent one more important step in the fulfillment of the obligations which the United States undertook when the Congress approved by joint resolution the Trusteeship Agreement on July 18, 1947. Congressional approval of the freely expressed wish of the people of the Northern Mariana Islands will enable them to move toward their long sought goal of self-government in political union with the United States. The final realization of this desired goal will be an historic event for the people of the Northern Mariana Islands and for the United States—an event to which I look forward with great pleasure.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

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Remarks at the Annual Convention of the National Association for the Advancement of Colored People.

July 1, 1975

Thank you very much, Roy Wilkins, Margaret Wilson, Clarence Mitchell, Secretary Coleman, Reverend Hope, distinguished guests, ladies and gentlemen:

I wish to thank Roy Wilkins, my very good friend, for inviting me to speak to this very unique organization and to share this platform with so many distinguished guests.

Roy said on Sunday on TV that you could expect from me today "a lot of rhetoric, but no specifics." Well, he is wrong about the rhetoric, but he is right about the specifics.

I have come here not to offer a checklist of specific programs and promises for blacks. I come as President of all the people to talk with you about common problems and commonsense approaches, about what we can achieve together for America.

The NAACP has a very proud record that spans 65 years, with markers of achievement in racial equality unmatched by any other organization. Your coalition of Americans has never been content to stop with one success; you move from one goal of racial progress to the next. As a result, great strides have been made in achieving the goals laid down by the NAACP in 1910: equal rights—particularly voting rights—equal opportunities for justice, for education, for employment.

By making our system work through legislation and court decision, the NAACP has helped America keep its promises to all its citizens.

Today, laws ensure the rights of all Americans. The 1910 commitment of your organization has become the American commitment in 1975—to continue black progress throughout America.

Today, blacks are better educated, better housed, and employed in better jobs. Blacks are making important contributions at all levels of the Federal Government, civilian and military. The end of racial discrimination by law has paved the way to the beginning of full participation.

I commend the NAACP for its new emphasis on the economic progress and problems of blacks. But the progress you have made has been threatened by a troubled economy. The economic recession we have been going through has unquestionably hit hardest at blacks and other minorities. The result: 12 percent of black adults are jobless, compared with 7.5 percent of whites who are unemployed; 40 percent of black teenagers are jobless compared with 20 percent of white youngsters.

The unpleasant reality is that recession hits and hurts first those who can least afford economic setbacks. And recession and inflation together deal a doubly cruel blow. If recession hits hardest at low-income workers who are most likely to be laid off, inflation severely saps their buying power and creates special hardships.

The Congressional Black Caucus calls this economic situation—and I quote—“our common dilemma.” It goes on to state in its legislative agenda—and again I quote—“It is not rich against poor, black against white. Instead, there is mutual recognition that any of us may be the next victim of unemployment and that *all* of us will most certainly be the next victims of inflation.”

In short, inflation is no less a human problem than recession. The cold statistics of the 12-percent rise in the cost of living last year translate into a cut of this amount in the paycheck of every working American. For persons receiving unemployment compensation, welfare, or social security checks, it translates into the difference between sustenance and subsistence.

But what you and your great organization have contributed to America is invaluable. You have helped turn this Nation around on the issue of racial equality. You have helped to create a climate in which progress can be made.

Now, together we must create the other necessary conditions to turn the legal right to equality into the reality of equality—a stable, growing economy that allows all of our people to realize their full potential.

An unstable economy is the enemy of equal opportunity. While important advances can be made during economic good times, they can be quickly and cruelly erased during hard times. Equality of opportunity can be sustained only in the context of economic stability.

In the past 15 years, huge Federal deficits have financed unprecedented domestic spending. Too many of those expenditures produced short-term benefits for some Americans, but with the long-term hidden costs for all Americans. Too many of those whom the programs sought to help—the poor, the elderly, and the disadvantaged—are now bearing the inflationary burden of the Federal Government’s spending spree.

America is an economic family. We must live by the rule that any family must follow. We cannot spend more than we earn by endless borrowing. We must end our propensity for short-term solutions at the expense of long-range setbacks.

There are solid signs that the recession is coming to an end. For example, consumer confidence is up, boosting retail sales in May by 2.2 percent over April. The number of Americans at work rose by 553,000 between March and May. Personal income rose in May by \$9.3 billion, the biggest jump in 8 months. Interest rates are down, both prime and others. Housing is showing signs of recovery, with a 34-percent increase in building permits between March and May. Housing starts were up 14.2 percent in May over April. And the inflation rate is down from an average annual rate of more than 12 percent last year to less than 6 percent today. That is tantamount to 6 percent more purchasing power.

Obviously, some indicators will continue to be depressed for a few months because they record only what is past. But I am confident that the economic decline is over. We must make certain, however, that our recovery is based on sound economic policy, or we stand in dire danger of setting off another massive rise in inflation and even deeper recession and greater unemployment and hardship in the future. We don't want that.

A policy of fiscal restraint does not mean that this Nation will turn its back on major problems of employment, housing, transportation, health care, and education. In fact, my budget for the fiscal year of 1976, which starts today—it increases the total of these human resources programs by more than \$17 billion over fiscal year 1975.

The critical area of jobs required action to meet immediate needs without upending long-term progress. Temporary aid measures I proposed have sought to keep this very, very important balance.

For example, this summer, some 840,000 young Americans will be working because of Congressional action on my request for \$473 million for summer youth employment and recreation programs.

Last Friday, I signed into law legislation which I requested to extend for one year the public service jobs program and to provide \$1.6 billion to continue 310,000 jobs.

Yesterday, I signed legislation to extend the unemployment insurance program to provide up to 65 weeks of compensation to persons without jobs.

But these are temporary measures to cushion the blow. They do not answer

the need for permanent jobs. These jobs must come from full production in the private sector.

One initiative in this area is the promotion of assistance for minority business. Representatives of the NAACP have been very helpful in developing plans to coordinate Government programs in this area, and I compliment you for it.

In fiscal year 1975 that ended at midnight last night, minority enterprise programs of the Small Business Administration alone created or saved 63,000 jobs. Twenty-five percent of all SBA loans and 16 percent of the total dollars went to minority business.

To make certain that job opportunities in the Federal Government are open to all Americans, each department and each agency will vigorously enforce the equal opportunity employment laws. To make sure, to make certain job opportunities are open in the private sector, I have emphasized to Lowell Perry, the new Chairman of the Equal Employment Opportunity Commission, this Administration's commitment to the elimination of all vestiges of job discrimination because of race, religion, or sex.

The EEOC budget in fiscal year 1976 is over \$60 million, or \$6½ million up from 1975. Federal civil rights enforcement outlays for fiscal year 1976 are \$395 million, \$34 million more than in the previous year. But equal opportunity for equal employment and civil rights enforcement are most meaningful when the economy is strong, when the economy is vibrant. And full recovery will be possible only if we act together responsibly.

I will continue to work with the Congress to balance fiscal responsibility against measured economic stimulation. This Administration and the Congress cannot achieve a sensible, long-term approach to the national economy without your help, the help of all Americans.

Your leadership, your influence are needed in working to implement a sound fiscal economy. We must work together to insure the financial soundness of our Nation that makes equality, that makes freedom possible for all Americans.

America is stronger because of the vitality of your organization, and I say that with emphasis. America is more creative because of your imagination. America is closer to achieving its constitutional promise of the blessings of liberty for all its citizens because of your dedication and your spirit.

The entire Nation is at last waking up to the contribution and potential of black people. And along with Roy Wilkins, I believe that "if America's blacks are permitted to do for themselves, according to their own likes, they will do like nobody ever dreamed."

Thank you very much.

NOTE: The President spoke at 10:20 a.m. in the Wilmington Room at the Sheraton-Park Hotel. In his opening remarks, he referred to Secretary of Transportation William T. Coleman, Jr., and the following NAACP officials: Roy Wilkins, executive

director, Margaret Bush Wilson, chairman of the board of directors, Clarence Mitchell, director of the Washington bureau, and Rev. Julius C. Hope, of Georgia.

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Remarks at the Swearing In of Two Department of Health, Education, and Welfare Officials. July 1, 1975

Thank you very, very much, Secretary Weinberger. Assistant Secretary Cooper and Mrs. Cooper, Director Fredrickson and Mrs. Fredrickson, distinguished guests, ladies and gentlemen:

At the outset, let me thank each and every one of you here for the very warm and friendly welcome. Let me express to you, on behalf of all of those who are outside, my gratitude and appreciation for the warmth of their welcome. I am deeply grateful.

Actually, I am here this morning for several very, very good reasons.

First, and more important, I want to recognize and wish to honor two outstanding men who are taking office today, one as Assistant Secretary for Health, and the other as Director of the National Institutes of Health.

Second, I wish to thank from the bottom of my heart Cap Weinberger for the outstanding job he has done as Secretary of Health, Education, and Welfare. Cap will be missed very greatly by me, I am sure by all of you, and in the broadest context by all Americans.

We thank you very, very much, Cap.

HEW, as we all know, is a huge and very complex department, but as a result of Cap's leadership and responsible decisions, it is in better shape now than it has been in its entire 22-year history.

I think it is a fair assessment that HEW is operating at peak efficiency today and its programs are more effectively reaching those who are truly in need. Obviously, there is always plenty of room for improvement, but on any fair assessment, a great job is being done, and I thank him and I thank you.

Finally, I wish to pay a very long-deserved tribute to the National Institutes of Health. The fact that the two men we are honoring today are both products of this institution is testimony to its greatness as a training ground for leaders in health and in medicine.

Over the years that I was in the Congress, I have watched the NIH grow into the world's foremost medical research institution. I followed your achievements,

the breakthroughs you have achieved here and in laboratories which you support around the world, and I have watched this growth from its inception—as a Congressman, as Vice President, and now as President.

Through your accomplishments, NIH has become a symbol of hope, not just for the patients who are here in this or the other building but all people everywhere. Yet, despite our present sophisticated technology and the best efforts of our physicians and hospitals, millions and millions of persons still die or are crippled each year from diseases such as cancer, heart disease, kidney disease, arthritis, and others.

We—and I use this in the broadest context—people all over the world, look to you here at NIH, to you, Dr. Fredrickson, to develop the new knowledge necessary to bring their diseases under control and to make that knowledge available to our physicians and hospitals in the form of new methods of prevention, diagnosis, and treatment.

But research and the development of new knowledge is only part of our responsibility to the health of our people. Through the Public Health Service, which Dr. Cooper heads as Assistant Secretary for Health, we can help the private sector develop its capacity, the essential capacity, to make quality health care at a reasonable price a reality for all America.

For the past year, HEW in its Public Health Service has made significant progress toward the unifying of our Federal health effort so that we can more effectively attack the complex problems besetting our health care system, problems such as high cost with few built-in controls and the shortages of the right kind of physicians and other health workers in the right place at the right time.

Under Dr. Cooper's leadership, we expect to intensify our effort to focus properly the resources of the Federal Government, where appropriate, on these problems. And we will work with and not against the private sector in this effort.

Thomas Jefferson once remarked that health is the first requisite after morality. The overall survival of our Nation depends in large measure on the health of its people. We can only be strong, prosperous, productive people to the extent that we are also a healthy people.

Health is related to many things—good jobs, adequate housing, good education—but no society can achieve good health without an adequate health care system that responds to the needs of people, regardless of where they live or their economic or social station in life.

The leadership that we are swearing in today can strengthen the sound foundation of our Nation's health. It can work with the private sector to help develop

new cures and deliver the best possible treatment to all Americans. Above all else, it is that goal I am here to reaffirm today.

Thank you very, very much.

NOTE: The President spoke at 11:29 a.m. in the Clinical Center at the National Institutes of Health, Bethesda, Md., following the swearing in of Theo-

dore Cooper as Assistant Secretary of Health, and Donald Fredrickson as Director of the National Institutes of Health.

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Remarks on Greeting the Presidential Scholars for 1975.

July 1, 1975

Secretary Weinberger, Senator Bob Dole, Dr. Trotter, Dr. Bell, Chairman Wallis, ladies and gentlemen, and particularly all of you honored guests—the Presidential Scholars:

First, let me welcome you all most sincerely to the White House in this beautiful East Garden. This is a typical Washington day. [*Laughter*]

I must also, with emphasis, congratulate you on the outstanding record of achievement and leadership ability which has made it possible for you to be here today.

As Presidential Scholars, you represent one of the most select, truly one of the most distinguished groups of young people in this country today. You have demonstrated your talents in a diversity of fields—in the humanities, in the arts, and in the sciences.

And outside of the academic realm, which I think is vastly important, you have been active in a great variety of student and community service organizations where you have shown remarkable leadership capabilities.

I'd like to commend the Office of Education, too, for giving recognition to this most distinguished group of gifted young men and young women.

Secretary Weinberger, through his presentation of the medals commemorating this honor, has shown his personal interest as well, as well as the interest of the entire department, in rewarding individuals for their initiative and their desire to achieve. And thanks must also be given to the members of the Commission on Presidential Scholars and the Educational Testing Service for the donation of their time and efforts in completing the selection process.

I am delighted to join with the many, many parents here today when I say that we have very good reason for all of us being extremely proud of a nation that is able to produce young people of such high caliber. More importantly, I

think, to all of us is that we can feel very secure that the future of America is in very good hands.

I am sure they'll do an infinitely better job than we have done, and that is certain because of their educational opportunities and their great exposure to not only the problems of the day here at home but the difficulties of our problems around the world.

Now, for the past few days all of you have had a wonderful opportunity to see very closely, very intimately, the workings of our Federal Government here in Washington, and I hope that this personal experience has given you a far better idea of how our system of Government actually operates.

I also hope that when you have acquired your experience here, that in the process of learning about our Government, it may encourage many of you to become active participants in government at the local, the State, or the Federal level. Your leadership, your intelligence could play a very vital role in writing the agenda for America's third century.

As you are all very well aware, the learning process, like the political one, must be a two-way street, for in a sense, as I see it, the greatest wisdom consists in knowing that no one ever has all of the answers.

It is through the free exchange of varied ideas that real wisdom, the kind of wisdom enshrined in our Declaration of Independence, in our Constitution, and in our Bill of Rights, is attained. And as all of us approach our Bicentennial, I believe we can be proud that in spite of the follies of a few individuals, relatively speaking, the collective wisdom of democracy has managed to prevail and do more for freedom and more for the beneficiaries of it than any other system in the history of mankind.

I do hope that you will always remember that the learning process in America reflects the true substance of our democratic life here, chiefly because our system of government is a great and good learning process.

Our very unique experience in self-government has been going on for almost 200 years because we have succeeded in retaining the open experiment, the spirit of open experiment, of confronting each new challenge with wisdom gained from the past. And I hope that each of you will go back to your communities, your colleges, your universities, with a renewed sense of purpose and direction, to learn well the lessons of the past, that you may deal more wisely with the future.

I trust that you will contribute, through your scholarship and your practical experience, new thought and new insights into our national wisdom. In this way you will strengthen the American democracy which all of us cherish.

Where do you go from here? Or where you go from here, I should say, is up to you. So, you have got to think big, be big, act big, dream big, and above all, accomplish big, for wherever you go, I am sure that the members of this Commission, your teachers, parents, friends join me in saying that success will entail traveling a long, endless road, since success is not a destination, but a long, infinite journey.

You are just now getting into orbit. It might be the end of 12 years of preparation, but there will be many, many more to come. Make them meaningful and useful, not only to yourselves but to all.

I conclude by saying I am very proud of all of you, and I have enjoyed spending this time with you.

Thank you very much.

NOTE: The President spoke at 3:17 p.m. in the East Garden at the White House. In his opening remarks, he referred to Virginia Y. Trotter, Assistant Secretary of HEW for Education, Terrell H. Bell,

Commissioner of Education, and W. Allen Wallis, Chairman of the Commission on Presidential Scholars.

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Remarks Upon Signing the Emergency Housing Act of 1975. *July 2, 1975*

First, distinguished Members of the Congress, Secretary Hills, distinguished members of labor and industry and, particularly, the housing industry:

Obviously, I am very, very pleased to sign into law H.R. 5398, the Emergency Housing Act of 1975. This proposed legislation, which I will sign into law, embodies basically the compromise provisions which we worked out with the House and the Senate.

I commend the Members of the Congress on both sides of the aisle and at both ends of the Capitol for quickly enacting this meaningful and, I think, effective housing legislation. This is an excellent example of the way in which the Congress and the executive branch can and should work together in the best interest of the American people.

This Administration is committed to a prompt recovery of the housing industry and to getting construction workers back on the job. Both of these objectives and actions are crucial to our overall economic recovery.

This legislation provides an additional \$10 billion of mortgage purchase authority to the Government National Mortgage Association which will be

available, if required, to sustain the housing recovery presently underway. It also expands other types of housing construction, including condominiums.

The bill also meets the problem of mortgage foreclosures head-on. It provides standby authority for the Secretary of Housing and Urban Development to coinsure loans made by lending institutions to preclude mortgage foreclosures on homes whose owners are in temporary financial difficulty.

I hope and trust that the cooperation between the Congress and the executive branch shown by the effective action in this legislation will continue in the future on other badly needed legislative proposals.

NOTE: The President spoke at 1:55 p.m. in the Rose Garden at the White House.

As enacted, H.R. 5398 is Public Law 94-50 (89 Stat. 249).

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Remarks at Dedication Ceremonies for the National Environmental Research Center, Cincinnati, Ohio.

July 3, 1975

Thank you very much, Russ Train. Bob Taft, distinguished Members of the House of Representatives, Bill Gradison, Don Clancy, Gene Snyder, John Breckinridge, Bud Brown, President Bennis, Russ Peterson, distinguished guests, ladies and gentlemen:

It is really a great privilege and pleasure to be in Cincinnati again at a time when so many aspects of technology and automation are being questioned as well as challenged.

It's awfully good to be in a city where everybody is for a Big Red Machine. Let me say just one thing about the Cincinnati Reds. Any organization that could go more than 2 weeks without making an error, that organization should forget about sports. We could use them in government. At the very least, they should be making cornerstones. [*Laughter*]

The dedication of this National Environmental Research Center is an event of great significance, not only to Cincinnati but to our Nation. It is a message 214 million Americans are sending to future generations of Americans.

It is \$30 million worth of laboratories, research facilities, equipment, and training capacity, saying to our children and to their children: We care. We care about the air you breathe, the water you will drink, the land that you will need. It is a message about environment that says to all of us: America—handle with care!

The research facility that we dedicate today is a major achievement in realizing an environment that will add to our life experience rather than to subtract from our lifespan. It is one of the most advanced laboratories of its kind in the world. But Cincinnati is no stranger to landmark environmental research.

Over 60 years ago, the very first environmental health activities on a national level were begun here when the U.S. Public Health Service set up a stream pollution investigation station in 1913. Since then, the Queen City has become internationally known as a research center furthering a wide variety of environmental disciplines.

It is particularly fitting that my good and fine friend, Bob Taft, the distinguished senior Senator from Ohio, is here with us today. He carries on the commitment and the principles of his father in these vital areas of ecological caution and concern.

The Robert A. Taft Sanitary Engineering Center—named in honor of Bob's father, who so ably served the State of Ohio as its Senator for 14 years—this was dedicated in 1954 and for two decades has contributed important research in the areas of radiation, air pollution, and solid waste.

The facilities we dedicate today will expand still further the capacities of Cincinnati's efforts in this field. Built on 20 acres of land donated by the city of Cincinnati and with ready access to the University of Cincinnati, this center will help provide the research and development so urgently needed to once again reconcile the needs of our society and nature. It is a time of reconciliation.

I would propose in this circumstance one more area of greater understanding. I would suggest a *détente* with nature. Spinoza once said, and I quote: "The power of nature is the power of God." We have too long treated the natural world as an adversary rather than as a life-sustaining gift from the Almighty. If man has the genius to build, which he has, he must also have the ability and the responsibility to preserve.

We stand here today before one of the instruments necessary to achieve this preservation. Research and development are the foundation of any effort to protect and secure this environment.

Through research, we acquire the essential understanding of the impact of pollution on the health of man and on the functioning of natural systems.

Research permits us to devise and to develop, at minimum cost—a minimum cost to the consumer—the necessary technologies to control pollution. Such research will be actively pursued within the walls of this fine facility. The construction of this wonderful building by your Government's Environmental Pro-

tection Agency symbolizes the growth and the maturing of our ongoing policy to protect and to preserve America's precious air, land, and water.

When the decade of the seventies began, we made the achievement of a cleaner and healthy environment a matter of the highest national priority. We achieved steady and substantial progress toward that goal. And you have my strong personal pledge that this country will remain firmly committed to continuing that progress. And I should add, as long as I have anything to say about it, this country's symbol will never be an empty beer can in a river of garbage.

With the formation of the Environmental Quality Council and the creation of the Environmental Protection Agency, this Nation took a major step in establishing a new environmental agenda. Since 1969, we have seen the passage of significant legislation to provide the tools to keep America the beautiful.

And when Congress returns from the Fourth of July recess, I will submit a proposal to establish a comprehensive and uniform system for fixing liability and settling claims resulting from oil pollution damages in America's waters and coastlines.

This proposal will implement two international conventions now under consideration by the Congress, dealing with the problem of oil pollution caused by tankers on the high seas. I consider this initiative to be one of great national importance.

America's energy needs require the accelerated development of our offshore oil and gas resources and the increased use of our deepwater ports. This proposal will allow us to proceed with determination, but in a manner that is environmentally acceptable and sound.

We ask all citizens and groups concerned with the quality of America's environment to join with us in seeking new ways to preserve it. This is not a Federal concern alone. It is the responsibility of every level of government and each individual—all the way from the White House to your house. We all breathe the same air—or smog. And it's up to us.

I am convinced that an active partnership between the Federal, State, and local agencies is the proper formula for assuring the future success of our environmental efforts. This is not idle theorizing. Such cooperation has already brought about in many, many areas of our country a remarkable improvement in air and water quality. Great rivers and lakes, once given up as dead, have shown dramatic new life.

Lake Erie, the butt of many a joke, was virtually written off by some as unsalvageable. It now shows signs of a healthy recovery. Even more encouraging,

salmon have reappeared in the Connecticut and Hudson Rivers. They cough a lot, but they have reappeared.

Cooperation and prudent self-interest has also made for other solid advances. Nearly 80 percent of all major stationary sources of air pollution—utility plants, factories, large buildings—are now complying with emission regulations or are meeting an abatement schedule.

The result of these and other clean air regulations is very apparent. The citizens of many, many great cities have already benefited from the life-giving improvement in the purity of their air. There is much more to be done, but let us not be indifferent to what already has been accomplished.

As some of you may know, I have always retained a very special interest in sports activity. I like to swim, to golf, to ski, to play tennis, to take walks in the atmosphere that renews and returns perspective. I cherish the out-of-doors, and I stand with those who fight to preserve what is best in our environment.

But as President, I can never lose sight of another insistent aspect of our environment—the economic needs of the American people. Your security, your well-being must enter into every decision I make—and it does.

I pursue the goal of clean air and pure water, but I must also pursue the objective of maximum jobs and continued economic progress. Unemployment is as real and as sickening a blight as any pollutant that threatens the Nation.

If accomplishing every worthy environmental objective would slow down our effort to regain energy independence and a stronger economy, then of necessity I must weigh all factors involved. My decision must reflect the needs of the future but also the demands of the present. And I will do my very best to neglect neither.

The building we dedicate today is imposing proof of our commitment to tomorrow. Within its walls and within the laboratory of other such facilities, problems will be defined and solutions will be found.

Working together, we Americans have always been able to find the difficult answers. Here in Cincinnati I know that you will find more than your share.

Ours is a bountiful land. Let us resolve to live in it, at one with man, with nature, and with God.

Thank you very much.

NOTE: The President spoke at 1:10 p.m. at the Center, which was located on the campus of the University of Cincinnati.

In his opening remarks, the President referred to Russell E. Train, Administrator of the Environmen-

tal Protection Agency, Dr. Warren Bennis, president of the University of Cincinnati, and Russell W. Peterson, Chairman of the Council on Environmental Quality.

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Remarks at the White House Conference on Domestic and Economic Affairs in Cincinnati. July 3, 1975

Governor Jim Rhodes, Governor Carroll, Lieutenant Governor Orr, Bill Liggett, Senator Bob Taft, Congressmen Bill Gradison, Gene Snyder, John Breckinridge, distinguished guests, ladies and gentlemen:

I am deeply grateful, Jim, for those overly kind and most generous words, and I hope and trust that we can justify your faith in the months ahead.

Obviously, I am most grateful and deeply appreciative of the opportunity to meet here with you today as a part of the Ohio River Valley White House Conference. As you have already heard from other speakers, there are answers to many of our problems—but no easy answers.

The closest we have ever come to an easy answer was the day Secretary Simon took Vice President Rockefeller through the Treasury. As they came to the end of the tour, Bill Simon said, “The Treasury is one of the most important aspects of our economic policy.” Vice President Rockefeller said, “I’ll buy that.” Bill Simon said, “Sold!” [*Laughter*]

I know that you have already had a very full day and heard from many a number of my top advisers and key Administration officials on a very wide range of topics. So, instead of another lengthy speech covering a lot of the same territory, let me take a few minutes to talk about something I feel very strongly about—America’s domestic well-being.

As each of you are well aware, this past year has been a difficult and a perplexing one. We have been through a series of crises. But we have survived as a nation and we have become strengthened as a people.

For 3 straight months now, the index of leading economic indicators have been heading steadily upward. Gains have been impressive in retail sales, personal income, housing starts, and in the number of additional Americans at work—all reflecting the inherent confidence of the people in this country and their confidence in a free enterprise system.

Once again, our people, our political system, our economy has demonstrated the strength that made us the most bountiful country in the world. Once again, the pessimists have been proven wrong about America.

But we must not allow the good news to obscure some of the pitfalls still ahead. Although indicators say we have brought the recession to a halt, that is not good enough. There are other problems that require prompt attention.

Take inflation, one of the most pernicious economic ills of the postwar era. When I had the honor to visit Cincinnati last year about this time, inflation was our biggest worry. We were anxious—and understandably so—about the double-digit increase in the cost of living, an annual rate of inflation of more than 12 percent. Today the rate of inflation has been reduced to less than 6 percent. By the end of the year, we hope it will be even lower.

If we succeed, it will be, in large measure, because we held the line against a number of new Federal spending programs that would have fanned the embers of inflation back into a raging fire.

By using the Presidential veto, the taxpayers, for example, will have been saved an estimated \$6 billion by 1977. I realize that each time I use the veto, there will be some who complain. And I suspect if Governor Carroll does it, he has some good Kentuckians who will complain. And if Jim does it, I am sure there will be some good people in Ohio who will object. It is understandable.

Each special interest group in America—and there are literally thousands of them—has targeted benefits that it wants from the Federal Government or from your respective State governments. Each group has its good-faith, energetic advocates in the Congress or in the State legislatures and well-meaning lobbyists throughout the country.

This, of course, is the American system. I understand it very well. But I want to make sure the American people understand actually what is happening.

Just as a Congressman has a responsibility to represent the interests of his State and his district—and I had the privilege and honor of doing that for better than 25 years—I now have a duty to safeguard the broadest national interest. I refer to the interest of 81 million taxpayers who must pick up the tab for each of these new spending bills, either through a tax or an inflation or, in some instances, both.

I take that responsibility seriously, as I am sure Governor Carroll and Governor Rhodes do. The American people have a right to expect their President to protect their interests. That is one reason the veto power exists in the Constitution and why I will use it when necessary.

But there is another important part of the Presidential veto which has not been adequately discussed. This is the positive side of the veto. The veto is not a negative, dead end device. In most cases, it is a positive means of achieving legislative compromise and improvement—better legislation, in other words.

From my 25 years in the Congress and the time I have spent in the White House, I am convinced beyond any doubt that the Founding Fathers put the

veto power in the Constitution as a vital part of our system of checks and balances.

Recent history bears this out. President Truman exercised the veto 250 times and was only overridden 12 times. President Eisenhower used it 181 times; he was only overridden twice. But again and again, the result of the initial veto was to bring the President and the Congress together to work out a compromise measure—usually a sounder, more responsible measure than the original one.

Just recently, as an example, I asked the Congress to appropriate \$1,900 million for summer jobs for young people and adequate funding for additional public service jobs to deal with temporary unemployment. Congress, unfortunately and unwisely, added \$3 billion onto my request for a whole variety of miscellaneous items. I considered these additions to be too inflationary. They couldn't be justified. So, I used the veto.

That wasn't the end of the legislative process. After many, many Republicans joined with many discerning Democrats to sustain my veto in the House, the Congress worked out a mutually acceptable compromise with me in the White House.

Most of the so-called pork-barrel provisions were eliminated, and we ended up this summer, some 840,000 young Americans will have jobs that I asked for in the original proposal. In addition, the legislation which I requested and signed into law last Friday will extend the Public Service Jobs Program and provide \$1.6 billion to make sure that 310,000 Americans have that kind of employment.

So, to sum it up, the result of my Presidential veto was better legislation, which also adhered to the anti-inflationary guidelines I had originally proposed.

And the case of housing is another example. I sent an extravagant multi-billion dollar measure back to the Congress, which then sustained my veto and proceeded, very promptly, to come up with far more responsible legislation. And I signed this much better bill into law yesterday.

Let me emphasize this: The business of government is to help—not to interfere with—the lives, the businesses, the occupations, the professions, the family life of the American people. There are times when the President's veto must be used to keep the Federal Government from overextending its operations at the individual's expense—in the terms of such infringements as lost dollars and lost individual rights.

The excessive growth of Federal spending and interference has already inflicted an incredible toll in taxes, loss of incentive, and economic damage to the public. The roots of the problem date back more than a generation. A trend

was set by politicians and theorists who advocated massive spending as a sure-fire cure for everything that ailed us.

In the past 15 years alone, enormous Federal deficits were used to finance unprecedented domestic spending. Too many of these expenditures produced short-term benefits for some Americans while inflicting long-term damage on all Americans.

Many of those whom the program sought to help—the poor, the elderly, the disadvantaged—are now bearing the inflationary burden of Uncle Sam's 15-year spending spree.

It is my observation that the American people are awakening to this problem. And this wonderful attendance here is the best evidence that I have seen. And I thank you all for participating. The American people, as I see it, are beginning to realize that our society, our national economic family, must live by somewhat the same rules that every other family does. We can't spend more than we earn without endless borrowing.

The borrowing and spending, as I see it, must end—and end now. I can't promise you it will end tomorrow, but I think we have to keep the pressure on and the screws on, and we must stop falling for short-term solutions at the cost of long-term setbacks.

In addition to overspending, recent years have seen a very dangerous and costly trend toward overregulation by the Federal Government, as Jim Rhodes indicated in his introduction.

Over a period of 90 years, we have gradually erected a massive Federal regulatory system. Some of the basic regulations, I concede, are necessary, but many, if not most, are not. And the whole regulatory structure is encrusted with contradictions and excesses and rules that have outlived any conceivable value.

Let me give you an example of how overregulation from Washington affects you right here in the Ohio Valley.

Back in the days when natural gas was seemingly an inexhaustible resource, the Congress decided to regulate it. Since then, conditions have changed drastically, but the Congress has done nothing. And this Congressional inaction, this stubborn clinging to an obsolete regulation, has resulted in a serious gas shortage that is damaging your businesses, your industries, and costing our working people jobs. And it will get worse and worse and worse if Congress doesn't do something about it.

The problem is very basic: For the past 20 years, the Federal Power Commission has set artificially low prices at the wellhead for natural gas sold in interstate markets. The result has been that gas producers sell as much of their product as

they can locally or inside their own State borders at free market prices. Regions like the Ohio Valley that do not have an adequate local supply of natural gas must suffer the consequences.

Let me add a postscript to that, if I might. In the Congress, for the years I was there, I got to know a lot of people from Texas in the House and a lot of people from Louisiana in the House.

And they used to say to us, "How stupid can some people be. We have got all the natural gas down here, more than we can use, but we aren't going to sell it to Michigan and Ohio unless you pay a fair price."

And they said, "If you don't agree through deregulation to pay a fair price, we are going up and get those jobs and those factories from Michigan and Ohio and bring 'em down to Texas and Louisiana." And that is what they are doing.

I don't understand it. And Congress sits and twiddles its thumbs and does nothing, and most of the opposition comes from our Northern States in the House as well as in the Senate.

Well, wait until you have the shortage in Ohio. I don't know about Kentucky, but in Ohio and Michigan and Indiana, wait till we have that shortage this winter. If we have even a slightly colder winter this year than the last two, we will have interruptible service taken away from industry so that homes will be kept warm and the factories will have to close down and jobs won't be available.

It is just that simple, and all that gas in Louisiana and Texas is just sitting there. I don't understand it.

Well, starting with my State of the Union Address, I have repeatedly urged the Congress to deregulate natural gas and to expand the supply of it nationwide. But the Congress has done nothing, as I have said. So, the Ohio River Valley and Michigan and Kentucky and Indiana and other areas will continue to pay the price for Government overregulation.

To the extent that I can—and I hope you will help—I will prod the Congress to take action removing these archaic regulations that make life harder for the millions of American workers, businessmen, and taxpayers.

Last week, I met with 24 key Members of the House and Senate, Democratic and Republican, to seek modernization of our cumbersome regulatory agencies. We reached agreement in many broad areas, and I am confident that together, the Congress and the White House, we will cut out a good bit of this unnecessary redtape that's now plaguing our citizens in all 50 States.

I can't think of a better gift for America in our Bicentennial year. You know, after all, government was intended to help us in the pursuit of happiness—not to set up obstacles.

America is on the threshold of her third century as a free and independent nation. One hundred and ninety-nine years ago tomorrow, we officially took the first giant step from a colony to nationhood. A brave new chapter in the history of mankind was begun on that day—a chapter we are still writing by word, by deed, in our own lifetimes, almost two centuries later.

This great country of ours still has so many things, so many wonderful things going for it. We have fertile land, yielding up rich and bountiful harvests for food and resources. We have an industrial and military might that is second to none in the world.

We have a unique set of freedoms handed down to us by men who met in Independence Hall two centuries ago—a set of freedoms that is still vital, is still alive today.

And most of all, we have the unsurpassed national resource of the courage, hard work, moral strength, and faith of the American people.

On the eve of the celebration of independence, I pledge to this Nation, as I am sure each of you does, that we will do everything we can to make government the servant and not the master of the 214 million free men and women in America.

Thank you very much.

NOTE: The President spoke at 4:02 p.m. at the Cincinnati Convention Center. In his opening remarks, he referred to Governors James A. Rhodes of Ohio and Julian Carroll of Kentucky, Lt. Gov.

Robert Orr of Indiana, and William N. Liggett, president of the Greater Cincinnati Chamber of Commerce.

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Remarks in Cleveland at a Republican Party Fundraising Supper. July 3, 1975

Thank you very much, Jack Dwyer. Governor Rhodes, Senator Bob Taft, Representative Bill Stanton, Congressman Ralph Regula, Mayor Perk, my old friend Ray Bliss, distinguished guests, ladies and gentlemen:

It's wonderful to be back in Cleveland again and to be here with some of the fine people that I have known over the years and to be here with some of the fine people in my Administration, such as Jim Lynn, from the city of Cleveland.

First, I want to tell you how grateful I am that you've made this evening so delightfully informal. The word "supper" has such a nice relaxed ring to it. People sometimes seem to get uptight at dinners, seldom at suppers.

In fact, I still feel for the master of ceremonies at Indianapolis last year when I attended a dinner which was, you know, one of those things. At the conclusion of the program, so that we could keep our schedule, the emcee had to ask members of the audience to stay in their seats until the Presidential party left. But his actual words didn't come out quite that way. What he said was, and I quote precisely: "Ladies and gentlemen, this concludes our program, but would you please remain in your seats while the President is removed from the hall." [*Laughter*]

As I said at the outset, I am delighted to be in Cleveland in the great Buckeye State. As always, you have given me a very warm welcome, much warmer than you do some of those Wolverines once a year. [*Laughter*] And I can feel that I am among good friends.

Even though the Republican Party of Ohio and Cuyahoga County is sponsoring this great Independence Festival Supper, I understand from very good authority it really isn't supposed to be a political event. So, I am not going to remind so-called political experts—ones who were saying not long ago that Republicans were an endangered species—that there are at least 1,200 to 1,300 Republicans here tonight—alive, well, and darn enthusiastic. Thank you very much.

And I am not going to take this particular opportunity to urge the people of Cleveland to reelect Mayor Ralph Perk, who in his first year as mayor reduced crime in this city by 26 percent and who has restored financial stability to this city's government.

And tonight, I am not going to endorse the reelection of other outstanding Republican mayors like Jack Hunter of Youngstown, John Ballard of Akron, Stanley Cmick of Canton, and Tom Moody of Columbus.

And far be it from me to say this evening what a great job Jim Rhodes is doing as Governor of this great State, or to compliment Jim on his outstanding program to bring new jobs to Ohio through new industry, increased housing construction, improved transportation systems, and urban renovation.

And I am not even going to mention Bob Taft, one of the most effective and most respected Members of the United States Senate, a man who knows how to get things done, whether it is a new national park for Ohio or reformation of the regulatory agencies of the Federal Government.

I am not going to speak any words of praise tonight for the magnificent representation of the people of Ohio, that which they are receiving in Washington from Members of Congress like Bill Stanton or Ralph Regula, both of whom

are here tonight, and the 13 other outstanding Republican Congressmen from Ohio.

Under these circumstances, it would not be appropriate to say on this occasion that the Republican Party stands for the same things that most Americans believe in—personal freedom, local control over local concerns, a strong national defense, fiscal responsibility, free enterprise, and responsive government. That is what we stand for and what we must sell around the country.

I am not going to predict tonight that this mutual understanding and this growing public support will give the Republican Party great victories in 1976, here in Ohio or all across the country. No, sir. If you want to hear a political speech you are in the wrong place tonight. As I see it—and I have met many people, including Bishop Hickey¹—there is nobody here but a lot of good Americans celebrating their independence.

A century ago, in 1876, as America was observing its first hundred years of independence, a son of Ohio, Rutherford B. Hayes, was the Republican candidate for the President of the United States. Hayes won that 1876 election, but the campaign was marred by bitter partisanship, with even the outcome of the election cast in doubt by political charges and countercharges.

President Hayes, realizing that this kind of excessive partisanship could produce a stalemate in the Government as well as discord in the Nation, said in his Inaugural Address, and I quote: “He serves his party best who serves the country best.”

Tonight, as we enter our 200th year of independence, we in this country have more than enough challenges to consume our great energies and our ambitions without getting bogged down in political stalemate and discord. We must be about the business of serving our country by getting things done, making the hard decisions, both domestic and foreign policy, moving this country forward, forward.

Those hard decisions have involved a series, for example, of vetoes of unwise and overpriced legislation passed by the Congress. I realize that each time I use the veto, there will be some who complain; for instance, the various special interest groups—and there are literally thousands of them—and their advocates in the Congress.

But just as each Congressman has a responsibility to represent the interest of his State and his district—and I had the privilege and honor of doing that for better than 25 years—I have now a duty to safeguard the broadest national

¹The Most Rev. James A. Hickey, Bishop of Cleveland.

interest. I refer to the interest of 81 million Federal taxpayers who must pick up the tab for each of those new spending bills, either through more taxes or more inflation—in some instances, both. I take that responsibility very seriously.

The American people have a right to expect their President to protect their interests. That is one reason the veto power exists in the Constitution and why I will use it when necessary. In fact, my use of the Presidential veto over the last 10 months alone—I had this checked and it is accurate—in the last 10 months alone, we have saved the American taxpayers \$6 billion by 1977.

But let me add, there is another important part of the Presidential veto which has not been adequately discussed—the positive side. The veto is not a negative dead end device. In most cases, it is a positive means of achieving legislative compromise and improvement—better legislation, in other words.

For example, I recently asked the Congress to appropriate \$1,900 million for summer jobs for young people and adequate funding for additional public service jobs to deal with temporary unemployment. Congress, unfortunately and unwisely, added \$3 billion on its own for a wide variety of miscellaneous programs. I considered these additions to be too inflationary. They couldn't be justified, so I used the veto.

But that wasn't the end of the legislative process. After most Republicans joined with some discerning Democrats to sustain my veto in the House, the Congress worked out a mutually acceptable compromise. And the important ingredient in this whole process is: This system of constitutional checks and balances, which our Founding Fathers so carefully constructed, is essential to good government in this country.

But in a larger sense, another basic tenet of our Founding Fathers—*independence*—can be the inspiration for our policies here at home, just as *interdependence* is the foundation of our policies abroad.

As a first step, I sincerely believe it is time for us to declare our independence from governmental bureaucracies grown too large, too powerful, too costly, too remote, and yet, too deeply involved in our day-to-day lives. Even though there are many things government must do for people, there are many, many more things that people would rather do for themselves.

With the Depression of the 1930's—and some of us can remember that—began the policy of creating a new layer of Federal bureaucracy for every problem in America and then spending millions and then spending billions in the hope that money alone would solve the problem.

But the Depression policies of the 1930's, on which Democratic-controlled

Congresses have based their programs ever since, cannot solve the problems of the 1970's. If those policies were effective in their day, they are old and tired and completely ineffective in this decade.

The greatest mistake this country can make is to turn its back on its own native genius, its creativity, its industry, its compassion, and look solely to the Federal Government for solutions or salvation. What we really need in this country in this decade and the rest of this century is not a new deal but a fresh start. What we need is not more Federal control, but the adventure of personal achievement in the rebirth of self-confident pioneering spirit that made America the great nation that it is today.

Oh yes, the Government will do its part. Declaring our independence from too much government does not mean sounding a retreat from the legitimate responsibilities which government must and ought to assume. Quite the contrary. Tightened spending means more funds will be available for those absolutely essential programs.

Now, if we can put government to work doing what we want it to do, we can keep it from doing what it has no business doing.

My aim is to declare America's independence from inflation spawned by decades of government overspending. And as a part of the bargain, we can declare our independence from higher and higher and higher taxes and spend a little more of the money we earn the way we want to spend it, and maybe even save a little for a change.

If we can stimulate private enterprise without addicting it to continuous government intervention, if we can establish guidelines for business without overregulation, if we can unleash the great power of American free enterprise and get the great American labor force back to work at full strength in a sound and free economy, then we can honestly declare our independence from recession and high unemployment here in the United States.

I made some comments in Cincinnati this afternoon which might bear repeating here. I spoke about overregulation in government, and I spoke particularly about the Federal Power Commission and its strangulation of the natural gas industry, the transportation of it from Texas and Louisiana to Ohio, to Michigan, to Indiana, et cetera.

I pointed out that 20 or some years ago, the Congress made a decision to regulate natural gas production and delivery, and the net result is that prices are so low that the producers in Louisiana and Texas won't send their natural gas, which they own, to States like Ohio and Michigan and Illinois and Indiana,

because they can sell it in their State for \$2—whatever the criteria is—and if they send it through the regulated pipelines it is 51 or 52 cents.

Now, what does that do? We have bad legislation, and we have a Federal Power Commission that does not respond to reality, and the net result is that you in Ohio, we in Michigan, others in Indiana are going to have a very serious natural gas shortage this winter. You are going to have 50 percent—I think the figure is—less natural gas in our part of the Middle West this winter than you had last winter, simply because the people in Louisiana and Texas won't bow down to the heavy hand of Federal control.

What are they going to do? Very simple. They got all this gas that produces energy, that provides production in factories and provides jobs. They are going to get those factories from Ohio and Michigan and Indiana and Illinois down to Louisiana and Texas, because some people have the mistaken, stupid idea that regulation protects people.

In this case, it means that we in our part of this area will lose jobs, and I can't understand why the Congress does not move. If we want natural gas production and delivery in our part of the country—Ohio, Michigan, Indiana, et cetera—we have to free the heavy hand of regulation of interstate transportation of natural gas. Otherwise, we are going to lose jobs, factories, and productivity in our part of the country. It is just that simple.

So, I urge you—whether you have influence one way or another—every Member of Ohio in the Congress, Democrat or Republican, must be told that they are responsible if we have interrupted gas distribution this winter and we have a loss of jobs. It is just that serious.

I asked the Congress last fall to overcome this legislative bureaucratic problem. I asked them again in January. We kept presenting evidence of the facts and, I must say with sadness and despair, Congress has not acted. They have got a chance to move if they can ever stop fighting up there.

But the problem is it will be disastrous for America. It will be disastrous in Ohio, in Michigan, Indiana, Wisconsin, Illinois, New Jersey, North Carolina. So, use your influence to get the right decision in the free society in which we live.

Now, I happen to think we can declare America's independence from the fear and the alarming growth of crime. As I said earlier, Ralph Perk, as your good mayor, has done a fine job. And I happen to think, if the Congress would move, we can declare America's independence from foreign oil and energy sources.

I happen to be very confident—and I say this with deep conviction—that

together we can bring forth rich, new harvests from this great land of opportunity. We can invite all Americans, whatever their race, sex, or station in life, to sit at the table of America's bounty and partake more fully of its great abundance.

I truly see America's future as bright with hope and promise. I see a nation that works.

I see people taking pride in their work and their lives. I see a national government that responds to people's needs, but does not order people's lives. And don't forget that a government big enough to give you everything you want is a government big enough to take from you everything you have.

I see a reemergence of old values, values like simple honesty and common decency, as new natural resources with which to build a nobler, safer, and more successful society.

There is no reason, as I see it, in the world today why we can't live the kind of a life we want: a life of optimism and faith, a life of close kinship and good relations with our neighbors, a life with room for joy, a life of peace with ourselves and with those about us.

I believe and, as I look around this great room tonight, I think you believe, in America. I believe in the American people, as you do, and I believe that as we start our third century of independence, we can take renewed confidence in our future, a future that calls us—every one of us—to new achievement and glory and greatness.

Thank you very much.

NOTE: The President spoke at 7:52 p.m. in the Grand Ballroom at the Cleveland Sheraton Hotel. In his opening remarks, he referred to John Dwyer, chair-

man of the Cuyahoga County Republican Executive Committee, and Ray Bliss, former national chairman of the Republican Party.

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Letter Accepting the Resignation of Secretary of the Army Howard H. Callaway. July 3, 1975

Dear Bo:

It is with a very special sense of regret but also with profound appreciation for your outstanding service to our Nation, that I accept your resignation as Secretary of the Army, effective July 3, 1975.

For more than two years, your leadership has moved the Army forward with most impressive results. Through your efforts, an all volunteer Army has be-

come reality, as more and more highly qualified young men and women choose to make the Army a career. You have established the Army's credibility with the Congress and the American people. Today's Army is accomplishing more with less than any Army in our history.

Under your guidance, the young men and women of today's Army are filled with enthusiasm for what they are doing. The result is a renewed pride and sense of mission within the Army, and a much greater respect for our men and women in uniform among the American people.

You will be greatly missed at Defense, but it is because of my unqualified confidence and trust in your abilities that I have asked you to take on an entirely different but singularly important set of responsibilities and I am deeply grateful for your willingness to do so.

As you step down as Secretary of the Army, you may take tremendous pride in your outstanding contributions to our country and this Administration, and I hope you will look back on these past two years with pride in what has been achieved. You have served with great distinction, and I look forward to our future association.

Betty joins me in extending to Beth and you our best wishes and warmest personal regards.

Sincerely,

JERRY FORD

[The Honorable Howard H. Callaway, Secretary of the Army, Washington, D.C. 20310]

NOTE: Secretary Callaway's letter of resignation, dated June 25, 1975, read as follows:

Dear Mr. President:

It has been a great honor and a personal privilege to be a part of your Administration as the Secretary of the Army. It has also been an exciting experience for me to serve with the Defense team during a period of such great change, stimulating challenge, and decisive progress.

I am especially proud that the modern Army has just completed an epic transition from a draft environment to an all-volunteer force that is now stable, strong, and ready. The volunteer soldier is truly representative of the American people and stands ready to serve the Nation's defense whenever and wherever needed. In my judgment, today's Army is the most efficient and responsive ground force in history and its momentum and direction has been firmly set so that it will become stronger and more efficient in the years to come.

As I officially tender my resignation as Secretary of the Army, effective midnight, 3 July 1975, I would like to acknowledge my great debt to you, to Secretary Schlesinger, to Deputy Secretary Clements, and to the American Congress for the dynamic and far-sighted support which has been given to the Army. The establishment of a stabilized force has enabled us to provide the Nation with far more deterrent and additional fighting capability. I would also like to express my great admiration for the men and women of the Army who have responded to the Nation's challenge with dedication and enthusiasm.

As you know, I reluctantly leave the Army for it has been the most satisfying, rewarding, and exciting period of my life, but I look forward to serving you and the Nation in a new and challenging role.

Sincerely,

BO CALLAWAY

[The President, The White House, Washington, D.C. 20500]

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Statement on the Observance of Independence Day.*July 3, 1975**My fellow Americans:*

As we begin the 200th year of our independence as a nation, we the people of the United States still enjoy the blessings of liberty as we continue to build a more perfect union for ourselves and our posterity.

The great goals of America are never fully gained; the future of America is always brighter than its glorious past; the destiny of America demands the best of each succeeding generation, as it does of us today. While we cherish the many heritages that enrich our land, we of all peoples have no history except what we have written for ourselves. We are not Americans alone by birth or blood, by oath or creed or compact among princes. We are Americans because we deliberately chose to be one nation, indivisible, and for 199 years with God's help we have gone forward together.

Our Nation's first century saw the firm establishment of a free system of government on this continent, from Atlantic to Pacific. Our first century produced political institutions responsible to the people and confirmed at tragic cost the proposition that all Americans are created equal. Our Nation's second century, now ending, saw the development of a strong economic society in the free climate which our political institutions sustained. Our second century transformed an underdeveloped country into the mightiest and most productive nation in human history, with ever more widespread sharing of economic gains and of responsibility for the less fortunate of our neighbors. Two centuries of sacrifice and struggle, of conflict and compromise, have gained for us an unprecedented measure of political and economic independence.

We have on this Independence Day of 1975 a free government that checks and balances its own excesses and a free economic system that corrects its own errors, given the courage and constructive cooperation of a free and enlightened citizenry. This is the amazing history Americans have written for themselves as we begin our Bicentennial celebration.

But what will be the goal of our Nation's third century? I see the great challenge of our third century as the advancement of individual independence in this "sweet land of liberty."

We must devise safeguards for the sacred identity of each and every American, to protect personal freedom and individuality from the daily pressures of con-

formity, whether they come from massive government, massive management and labor, massive education, or massive communications.

While we want the benefits of advancing technology, individual Americans must never become coded ciphers in any central computer, unthinking parrots of any ideological slogans, uncaring slaves of any automated assembly line. Every citizen in our third century of freedom as a nation must have the personal freedom to fulfill his or her potential in life, liberty, and in the pursuit of happiness.

Many years ago, a Sunday school teacher taught me that the beauty of Joseph's coat was its many colors. And the beauty of America is its many individuals, each of us a little different from the other. Freedom for everyone who respects the freedom of others is the great goal which I see and commend to my countrymen for the third century of American Independence. Freedom is what the Fourth of July is all about.

I wish you all a grand and glorious day.

NOTE: The President recorded the statement for use on radio and television.

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Statement on the 40th Anniversary of the National Labor Relations Act. *July 4, 1975*

TODAY marks the 40th anniversary of the National Labor Relations Act, acclaimed as labor's "Bill of Rights."

This landmark act of Congress helped pave the way for millions of American workers to share more fully in the fruits of their own labor and to unite with one another in the strong bond of common interest and purpose. It provided the basis for the resolution of disputes over union organization and the means for settling union-management disputes.

Since the passage of this law on July 5, 1935, our Nation has moved from confrontation to cooperation between management and labor and from protracted unrest to effective partnership. This partnership has fostered great economic strength and progress which is unique among nations of the world.

For American workers, better pay, job security, pensions, and a system for the orderly resolution of day-to-day disputes have been the legacy of the National Labor Relations Act and its collective bargaining guarantees; for management, a more certain and stable industrial relations era.

On this special day, I salute the working men and women of America for the outstanding contributions they have made and will continue to make through honest, productive, and fairly rewarded labor.

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Remarks in Baltimore at the Fort McHenry National Monument and Historic Shrine. July 4, 1975

Thank you very much, Judge Northrop. Governor Mandel and Mrs. Mandel, Senator Beall and Mrs. Beall, distinguished Members of the House of Representatives—Congressman Long, Congressman Gude, Congressman Holt, Congressman Bauman, Congressman Spellman, Congressman Sarbanes—Mayor Schaefer, our country's newest citizens, and all of you wonderful people from Baltimore and the great State of Maryland:

We meet here tonight at the twilight's last gleaming. The casemate walls and the silent cannons of Fort McHenry bear a very quiet testimony to a nation's travail on another night in another age. We all know that Francis Scott Key enshrined forever those events in 1814. The patriotism and the national pride surrounding our flag, our country, and their defense that night are our heritage in a song and a verse. "The Star-Spangled Banner" is an expression of our love of country.

We must not be so sophisticated, so blase that we ignore those simple but eloquent moments of our history. We need to remind ourselves that America is really "the land of the free and the home of the brave." And we should be proud of it.

We are honored, every one of us, by those who earlier this evening became our United States newest citizens, and we should give them a special round of applause right now. They have chosen what often is taken for granted among many of us.

The hallmark of our first century was the establishment of a free government. In the face of the greatest odds, 13 poor, struggling colonies became a fledgling nation. Its future, in those dark days and weeks and months, was insecure. In the first 100 years, the western movement accelerated—vast territories were acquired, States joined the Union, constitutional issues were raised. Wars were fought, none more devastating than the one that turned American against American. Yet, through that horrible ordeal, it was resolved that this Nation would not endure half slave and half free. The Union was preserved.

By our Centennial in 1876, the American Republic had been securely established. Of this, there was no doubt, either at home or abroad.

Our second century has been marked by the growth of the great American free enterprise system. The pioneer spirit which carried us west turned us to new frontiers. Railroads spanned the continent and became a web of steel linking city to city, region to region, town to town. The automobile and its assembly line changed forever transportation and our manufacturing process in America.

The Wright brothers mastered powered flight at Kitty Hawk. The age of flight was born. From the first Atlantic crossing by the "Lone Eagle," Charles Lindbergh, to the American astronauts who announced that the *Eagle* had landed, when touchdown on the Moon, America's leadership was again established.

The telegram, the telephone, the television—all are a great part of the communications revolution of the second century. Science, medicine, agriculture production, marketing—these have been just a few of the modern frontiers since 1876.

But now our third century, I believe, should be an era of individual freedom. The mass approach of the modern world places a premium on creativity and individuality. We see mass production, mass education, mass population. They must not smother individual expression or limit individual opportunity. Individualism is a safeguard against the sameness of society. A government too large and bureaucratic can stifle individual initiative by a frustrating statism.

In America—and never forget it—our sovereign is the citizen. Our sovereign is the citizen, and we must never forget it. Governments exist to serve people. The state is the creature of the populace. These propositions are the foundation stones of our Bicentennial.

Today, in the 199th year of our independence, we stand on the threshold of a new American experience. Let us make the coming year a great year on America's agenda of achievement. As we move to the Bicentennial of American Independence, let us think where we will be and what we can achieve by next July 4, by the next decade, by the 200th anniversary of our Constitution, and by the year 2000.

Let us resolve that this shall be an era of hope rather than despair. Let us resolve that it shall be an era of achievement rather than apathy. Let us resolve that it shall be a time of promise rather than regret.

The Bicentennial should be a time for each of us of self-examination and individual accomplishment. Quality and permanence should be the measure-

ment of your life and my life and the life of 214 other million Americans in 50 States and our territories.

Let us pursue truths and values that will enhance the quality of life, of you and your fellow Americans. To form a more perfect Union—and that is what we want—we need to learn more of our country and more of our good people. Americans must appreciate the diversity of our land and the diversity of our citizens.

There is a quotation that I learned in my early days in Sunday school, that the beauty of Joseph's coat is its many colors. And that is the strength of America.

Boundaries of regionalism and urbanization must dissolve before our will to be one Nation and one people.

In the coming year, the Bicentennial must become a true national experience. The American Revolution and its legacy belong to each of the States and our far-flung territories. It belongs to every county, to every city, to every church, to every club, and to each and every American citizen.

At every school where the American flag flies, it is my hope that there will be in the coming year a concentrated effort in the classroom to study, discuss, and portray these past 200 years of our history.

I would urge that every community seek to make its program as meaningful as possible to as many as possible—old, young, in every walk of life. This should stress the history, culture, and the achievements and the basic values that are so important that we associate with our way of life.

Yes, the ideas that were forged and fought for in the Thirteen Colonies crossed the Appalachians. They followed the wagons and rode with the Pony Express. They crossed the Mississippi and the Missouri, spanned the plains and the American desert. They belonged as much to the West as they belonged to the East. Wherever the American flag has gone, so went the concepts of this great Republic. American Clipper ships, that probably sailed in part from this great Baltimore harbor, took the story of America to the far corners of the Earth with pride and with success. American jetliners carry it every day across the skies to distant lands. Indeed, this event does not belong just to Americans. This is a celebration of liberty, freedom, democracy, wherever they exist, and we want them to exist on a global basis at some time in the world's history.

While we cherish the many heritages that enrich our land, we, of all people, have no history except what we have written for ourselves. We are not Americans alone by birth or blood, by oath or creed or compact among princes. We are Americans because we deliberately chose to be one nation, indivisible, and for

199 years, with God's help, we have gone forward together, and we will in the future.

Two centuries of sacrifice and struggle, of conflict and compromise, have gained for us an unprecedented measure of political and economic independence.

We have, on this Independence Day of 1975, a free government that checks and balances its own excesses and a free economic system that corrects its own errors, given the courage and the constructive cooperation of a free and enlightened citizenry. This is the amazing history Americans have written for themselves, you and your forefathers, as we begin our Bicentennial celebration.

The young Republic of yesteryear is today a strong and a very great nation. It still lives the values of the Declaration, the Constitution, and the Bill of Rights. It influences the destiny of millions beyond our shores. It still remains, in Lincoln's words, "The last, best hope of earth."

Let us, this Fourth of July, continue to be a nation of hope. The American people believe in tomorrow—that by dawn's early light our flag will still be there.

Let us be one nation and one people indivisible—for our flag is one and our destiny is one.

Let us be people of values—of liberty, equality, and justice—no matter what the cost. That has been our history, and we are proud of it. We have never counted the cost of freedom, and I don't think America ever will.

Let us in the final analysis be true to ourselves, for then we can be false to no nation or to no people. And let us live not only for our own progress but also in harmony and hope for all other men, women, and children everywhere in this great globe.

In so doing, the United States and its people serve and honor the promise of Francis Scott Key's words, "land of the free, and home of the brave."

Thank you and good night.

NOTE: The President spoke at 9:05 p.m. Prior to his remarks, 41 persons were naturalized as American

citizens by Judge Edward S. Northrop of the United States District Court for the District of Maryland.

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Statement on Signing a Bill Providing for 24-Hour Display of the Flag at Valley Forge State Park, Pennsylvania.*July 5, 1975*

I HAVE signed S.J. Res. 98, which provides that the flag of the United States of America may be flown for 24 hours of each day in Valley Forge State Park, Valley Forge, Pa.

Enactment of this measure is a fitting tribute to the determination and valor of the men who served in the Continental Army at Valley Forge. These men endured the rigors of cold, disease, and starvation during the winter of 1777–1778, to later fight and win the Battle of Monmouth, an important victory in the struggle for independence. As we approach the year of our Nation's Bicentennial anniversary, this joint resolution by Congress reminds us again of the unselfish sacrifices made by many American men and women who have served in our country's Armed Forces. They have fought to establish and preserve, for Americans and free people everywhere, the right to liberty, justice, and the pursuit of happiness.

NOTE: As enacted, S.J. Res. 98, approved July 4, 1975, is Public Law 94–53 (89 Stat. 259).

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Toasts of the President and President Suharto of the Republic of Indonesia. *July 5, 1975**Mr. President:*

I am greatly honored to have the opportunity of welcoming you on your visit to the United States as a part of your world tour.

You visited the United States last, as I understand it, in 1970, and we all recognize, of course, that through the years, you have been a very wise and valued friend of the United States.

I recognize, as all of us do here from the United States, that you have achieved a great deal for your country in the period during your Presidency. The Indonesian people, we recognize, have developed a solid foundation to deal with your nation's very complex challenges and the very difficult road, but in the process of development, great progress has been made.

Admiring you, President Suharto, and your country, as I do, I have wanted

to meet with you and discuss with you the many issues that concern both of our nations. And I have found today, in our discussions, that your observations concerning Southeast Asia and the Pacific have been extremely meaningful and very constructive. I hope that this exchange of views will be mutually beneficial to both countries as we face our problems in the years ahead.

We do attach, in the United States, a great deal of importance to our relations with you. You have been a source of strength in Southeast Asia and in Asia as a whole, and we respect you for this part that you have played in the area, as well as the leadership that you have given to your own country in the process of development in the last 5 to 10 years.

We look forward to the opportunity of working with you in the future. The fact that we had a recent tragedy in Indochina actually should redouble, and does, our interest in the stability of Southeast Asia. Your assessment there, as I indicated, is most helpful to us as we plan and look to the future.

Let me say that the American people have great respect for your people, as we do for you and those in your Government. I was delighted this morning to reaffirm our Nation's solid support for Indonesia's development efforts, and we look forward to working with you in economic matters and the strengthening of your country in its major role in Southeast Asia.

Mr. President, in the months and years ahead, it seems to me that your country can provide continuing leadership in that part of the world, working with other nations that have a like philosophical, ideological view. Let me assure you that we will be most anxious to work with you and those other nations.

Today has been most enjoyable, most pleasant, and, I think, most constructive. I hope that you will return to the United States very soon and for a much longer and more extended visit to the United States.

It is a pleasure for me to ask all of you to raise your glasses to the good health and sustained success of the leader of Indonesia—His Excellency, President Suharto.

NOTE: The President spoke at 3 p.m. at Laurel Lodge, Camp David, Md.

President Suharto responded in Indonesian. His remarks were translated by an interpreter as follows:

Mr. President, Excellencies, distinguished guests:

May I first of all convey our highest appreciation and heartfelt thanks on behalf of my wife as well as my delegation for the opportunity given me to accept the kind invitation of you, Mr. President, to be here in the United States. And may I also, on behalf of the Indonesian people and Government,

convey their profound gratitude for this opportunity provided us.

As part of the nature of this very short visit—I'd say, only for several hours—but I would like very much to take this valuable opportunity, an opportunity which is very valuable for us, to enable us to be able to conduct exchanges of views in our common efforts and in the discharge of my duty to further strengthen these relations and friendly co-operation between the United States and Indonesia, and also to have the opportunity to discuss with you,

Mr. President, and conduct exchanges, open and frank exchanges of views, relating not only to bilateral relations and problems concerning our two countries but also on the international situations as well.

I believe entirely—and I am also fully confident—of the sincerity of the United States Government, Mr. President, for the pledge and the assistance that the United States Government will provide, not only to Indonesia but also to other Southeast Asian countries, but particularly to Indonesia, an Indonesia which is presently busily engaged in carrying out economic development efforts to create or to establish a just and prosperous society—a just and prosperous society which calls for its development, of course, for a lending, helping hand from other able countries who are really able to assist and help us in our development efforts.

In view of the fast-changing developments which have happened recently in Southeast Asia, particularly in the Indochinese peninsula, Mr. President, we are now striving very hard to consolidate what we call the national resilience and also to strengthen our national ideology, a national ideology which is based on our own principles, national ideology which should be strengthened in the efforts of the development effort. We would like very much to accelerate that effort. The national ideology which

should be strengthened in a way that the confidence of the people in this ideology will be such that this will not corrode, and the confidence will bolster the unity of the nation; national ideology which becomes the most important aspect of our national resilience to enable us to face any eventualities which could endanger our independence and territorial integrity in the future.

May I also, on this occasion, once again reiterate our heartfelt thanks and gratitude for the pledge and the assistance and support that the United States has so far provided and will continue to support in this respect and gain our heartfelt appreciation.

In our common efforts of furthering or enhancing the friendly cooperation between the two countries, I see the great importance of having this reciprocal visit, a mutual visit by the heads of government.

And in this spirit, Mr. President, I would kindly invite Your Excellency to visit Indonesia and see for yourself, be the witness of what is going on in Indonesia and what are really the efforts of the Indonesian people and Government at the present state of our economic development.

May I, in conclusion, Mr. President, invite kindly Your Excellencies and distinguished guests to raise your glasses and join me in a toast to the health and happiness of His Excellency, the President of the United States.

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Remarks Upon Signing the Special Message to the Congress Proposing Federal-Aid Highway Legislation. *July 7, 1975*

LET ME thank the various Governors here—Governor Ray, Governor Rampton, Governor O'Callaghan, Governor Bennett, and Governor Moore, representing the Governors and the Governors' Conference—for coming for the signing of the highway message.

The highway message is about 20 years after the establishment of the Interstate Highway System, some 42,500 miles. President Eisenhower took the lead, and Congress approved the establishment of the Interstate Highway System, one of the great public works projects in the history of the United States.

But times have changed, and as a result, in the highway message that I am sending, I am recommending the consolidation of some 30 categorical grant programs into four basic areas for the utilization of Federal funds.

We are going to have the funds to complete the interstate system. We will have funds for an urban area highway program, and we will have a rural high-

way program, and then we will have the safety and beautification programs as a result.

This program tends to give to the States greater flexibility in the utilization of the funds for the completion of the interstate system and the development of a sound highway program.

We have made great strides in our highway construction. It has tied cities together, it has tied the Nation together, but there are some essential links that need completion in the interstate system. They will be completed under this program, and at the same time, we accelerate, through the flexibility, the development of highway programs in each of the various States.

So, it is a pleasure and a privilege for me to sign this message that will provide roughly \$3,250 million a year for the interstate system, around \$1,050 million for the rural program, \$800 million a year for the urban program, \$400 million a year for the safety program, and \$65 million a year for the beautification program.

This, I believe, is a major step forward in the extension and completion of our various highway programs.

So, I thank Governor Ray and his associates for coming and participating in this ceremony. With their help, I am at least confident that we can convince the Congress to take this very significant and forward step.

As soon as I finish this, Bob, if you want to add a word on behalf of the Governors, I will appreciate it.

NOTE: The President spoke at 11:34 a.m. in the Rose Garden at the White House at a ceremony attended by Governors Calvin L. Rampton of Utah, Michael O'Callaghan of Nevada, Robert F. Bennett of Kansas, Arch A. Moore, Jr., of West Virginia, and Robert

D. Ray of Iowa, chairman of the National Governors' Conference.

Governor Ray's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 717).

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Special Message to the Congress Proposing Federal-Aid Highway Legislation. *July 7, 1975*

To the Congress of the United States:

Twenty years ago, President Eisenhower sent to the Congress a landmark report on our Nation's highways. That report, and the legislation it inspired, launched the Nation on one of the most ambitious public works programs in history—construction of the 42,500-mile Interstate Highway System.

Today, eighty-five percent of the Interstate system is open to traffic, and the

system has proven vital to the Nation's commercial prosperity and to the individual mobility of millions of Americans.

The Highway Trust Fund which has financed this remarkable program is scheduled to expire on October 1, 1977. I am today recommending legislation to extend the Trust Fund but limit its use to completion and improvement of the Interstate system itself. Other highway projects receiving Federal assistance would be funded through the general treasury.

In addition, I am recommending that income to the Fund be reduced by transferring two cents of the current Federal gasoline tax from the Trust Fund to the general treasury. At the same time, I am recommending that the Federal gasoline tax be reduced by one cent per gallon in those States which increase their State gasoline tax by an equal amount.

In this way, the ability of State and local governments to deal with their own transportation problems will be improved, but costs to the highway user will not be increased.

Top priority in this legislation will go to completion of those segments of the Interstate system which will make the system truly national in scope.

I am also proposing consolidation of Federal highway programs under three broadly-based categories, combining some thirty narrow grant-in-aid programs now in existence. The three programs will deal, respectively, with urban and suburban transportation, rural transportation and highway safety improvements.

The highway program is a classic example of a Federal program that has expanded over the years into areas of State and local responsibility, distorting the priorities of those governments.

The legislation I propose will refocus the Federal attention on the Interstate System, which is clearly of national significance, and provide flexible aid for other highway construction in a manner which fully respects State and local decision-making roles.

This is consistent with my general philosophy that we should not, at the Federal level, extend our influence into areas which other levels of government can handle better.

As we near our 200th birthday as a Nation, we must select with care the great national efforts we undertake, reflecting the responsibility we all have to preserve the integrity of our Republic. We must limit the Federal role to national concerns, strengthen the authority and resources of State and local governments, and protect the prerogatives of individuals.

I believe this legislation is the most responsible and effective means of meeting

the Nation's transportation needs. I urge the Congress to give it prompt and favorable consideration.

GERALD R. FORD

The White House,
July 7, 1975.

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**Message to the Congress Transmitting Annual Report of
the United States-Japan Cooperative Medical Science
Program. *July 8, 1975***

To the Congress of the United States:

I am pleased to present to the Congress the Eighth Annual Report of the United States-Japan Cooperative Medical Science Program. This bilateral research effort in the biomedical sciences was successfully implemented in 1965 following a meeting between the Prime Minister of Japan and the President of the United States.

During 1974, this Program has continued to direct attention to the study and prevention of a group of significant diseases which influence the health status of the people of Asia: cholera, environmentally induced diseases, leprosy, malnutrition, parasitic diseases (filariasis and schistosomiasis), tuberculosis, and viral diseases (rabies, dengue-hemorrhagic fever and other selected arboviral diseases).

The accomplishments attained during the past year are highlighted in the report of the Program which I am submitting to Congress today. I look forward to strengthening further the valuable and productive relationships provided by this model of cooperative international endeavor for the health benefits of our fellow man.

GERALD R. FORD

The White House,
July 8, 1975.

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Message to the Senate Transmitting the United States-Iceland Convention on Taxation. July 8, 1975

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention signed at Reykjavík on May 7, 1975 between the Government of the United States of America and the Government of the Republic of Iceland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital.

There is no convention on this subject presently in force between the United States and Iceland.

The Convention follows generally the form and content of most conventions of this type recently concluded by this government. Its primary purpose is to clearly identify the tax interests of the two countries so as to avoid double taxation and make difficult the illegal evasion of taxation.

I also transmit, for the information of the Senate, the report of the Department of State with respect to the Convention.

Conventions such as this one are an important element in promoting closer economic cooperation between the United States and other countries. I urge the Senate to act favorably on this Convention at an early date and give its advice and consent to ratification.

GERALD R. FORD

The White House,
July 8, 1975.

NOTE: The convention is printed in Treaties and Other International Acts Series (TIAS 8151).

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Remarks Announcing Candidacy for the 1976 Republican Presidential Nomination. July 8, 1975

TODAY, I am officially announcing that I am a candidate for the Republican nomination for President in 1976. I do this with the strong support of my family and my friends.

My campaign will be conducted by outstanding Americans on whose integrity both my supporters and all others can depend. I have found these leaders in Bo Callaway of Georgia, Dave Packard of California, Dean Burch and Bob

Moot, and many others from every State and from every walk of life who have volunteered to help.

I have given them authority to seek my nomination with three qualifications, which I want all Americans to know.

First, I intend to conduct an open and aboveboard campaign, both for the nomination and for the Presidency. I want every delegate and every vote that I can get that can be won to my cause within the spirit and the letter of the law and without compromising the principles for which I have stood all of my political and public life.

Secondly, I will not forget my initial pledge to be President of all of the people. I believe I can best represent my party, but this will be futile unless I unite the majority of Americans who acknowledge no absolute party loyalty. Therefore, I will seek the support of all who believe in the fundamental values of duty, decency, and constructive debate on the great issues we face together as free people.

Third, I am determined never to neglect my first duty as President. After 11 months in this office, I know full well that the obligations of the Presidency require most of the stamina and concentration one human being can muster. But it is also the duty of all Americans to participate fully in our free elective process, and I will do so enthusiastically.

In all the 13 election campaigns I have undertaken, my basic conviction has been that the best politics is always to do the best job I can for all the people. I see no reason to change that successful philosophy.

I expect to work hard, campaign forthrightly, and do the very best I can for America in order to finish the job I have begun.

Thank you very much.

NOTE: The President spoke at 12:03 p.m. to reporters assembled in the Oval Office at the White House. Present for the announcement were Howard H. Callaway, chairman of the President Ford Com-

mittee, Robert C. Moot, treasurer of the committee, David Packard, national finance chairman, and Dean Burch, chairman of the advisory committee for the campaign.

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Remarks to Reporters Following a Meeting With Congressmen To Discuss United States Military Assistance to Turkey.

July 9, 1975

THIS MORNING we had an hour-and-a-half breakfast working meeting with a number of the members of the House Committee on International Relations,

the chairman, Doc Morgan, the chairman of the subcommittee, Congressman Zablocki, and the ranking Republican on the full committee, concerning an effort to try and resolve the legislative problem of Turkish military aid.

The Administration, of course, has asked for a total removal of the ban, but we have worked with the Democratic chairman and the other members of the committee on a compromise that will be before the committee tomorrow.

I just want to thank Chairman Morgan and his associates on both sides of the aisle for taking the initiative in seeking what we believe is a fair and equitable solution.

REPORTER. What is the compromise, sir?

REPRESENTATIVE THOMAS E. MORGAN. Well, the compromise—we will start out tomorrow, hold hearings on the Mansfield-Scott resolution, and we hope to complete hearings tomorrow. We will have the Administration witnesses in the morning and, of course, the Greek witnesses in the afternoon in the open hearing.

On Friday, we hope to start the markup. We will start the markup using the Senate resolution and substitute the bill worked out by Mr. Zablocki and Congressman Fascell and Congressman Hamilton and Congressman Broomfield. We hope we can report that out sometime on Friday.

The substitute—it really opens up the pipeline on what Turkey has bought and paid for, plus it resumes the rights of Turkey to make cash sales under the military foreign sales program.

There is no grant military assistance plus a complete study for future military and economic aid, both to Greece and Turkey. There is a clause, some safety clauses in it that the President doesn't like. But the President reports to Congress every 60 days on the progress of the sales and the progress, of course, of settling the Cyprus dispute.

I think it is a fair compromise. I think we could sell it to the House. Those who supported the total embargo last December, when we appropriated the foreign aid bill, can vote for this and explain it to the Greek-American people of this country.

Q. Congressman Morgan, will there be action in the House by the first of August?

REPRESENTATIVE MORGAN. I hope to have action if we can move as rapidly as we can to get it out of the committee Friday or the early part of next week and immediately apply for a rule.

Q. How much money is involved? How much equipment? Is it millions of dollars in the pipeline?

THE PRESIDENT. I understand that there is approximately \$70 million of Turkish military purchases which they bought and paid for that are not delivered because of the embargo. And unfortunately, they have not only bought and paid for this equipment but they are being charged storage in the warehouses in the United States.

Now, the compromise that Dr. Morgan and the others have worked on would free those Turkish purchases, amounting to roughly \$70 million, and add to that the right of the Turkish Government to buy for cash additional military hardware.

Q. How much?

THE PRESIDENT. That is, I think, limited by the overall limitation on foreign military sales.

REPRESENTATIVE MORGAN. It would depend on how much military sales worldwide have been purchased. You couldn't determine the figure.

Q. How is the Cyprus compromise coming along? I mean, is there any progress in the negotiations?

THE PRESIDENT. There is a meeting between Denktash and Clerides scheduled for July 24, and if there is action in the Congress, it will, I believe, greatly facilitate the negotiations between these two leaders of the Turkish and Greek Cypriots, so we are hoping that there can be action. And if there is action in the Congress, then the prospects for movement are certainly improved tremendously.

Q. Mr. President, there was a quote on one of the broadcasts this morning saying Congressman Brademas thought that some of your meetings involved some arm twisting, like this meeting this morning. Have you been arm twisting on this subject?

THE PRESIDENT. No, I would say just the opposite. I should add that in the last 2 or 3 weeks, I and Secretary Kissinger have met with Congressman Brademas, Congressman Sarbanes, and Congressman Rosenthal, plus Congressmen Hamilton, Fascell, Zablocki, Broomfield, and Whalen, and maybe one or two others, in trying to get a dialog started so that we could find the areas of agreement and the areas of compromise, and out of those meetings, I think, has come this compromise.

Q. Mr. President, what does this compromise do to the problem of the law that says that our allies are not to use American weapons against their friends and allies?

REPRESENTATIVE CLEMENT J. ZABLOCKI. The compromise very clearly states

that any additional military aid that will be sold to Turkey may not be used for other purposes than NATO defense.

Q. Didn't the law say that in the beginning, though?

REPRESENTATIVE ZABLOCKI. The compromise does not deal with any matter that has taken place in the past. It is restating the law for future use.

Q. How will that be policed?

THE PRESIDENT. Well, we, of course, have U.S. military personnel in the various NATO countries, and they follow on the scene the end-use of the equipment.

Q. Mr. President, are we prepared to talk about renegotiating the bases in Turkey now?

THE PRESIDENT. That is another matter of major importance. Roughly 30 days ago, the Turkish Government indicated to us formally that they wanted to begin talks for the termination of some of our U.S. bases in Turkey, and the deadline for that is July 17.

We again hope that there can be some action in the committee and hopefully on the floor of the House of Representatives prior to that date so that we can say to the Turks that progress is being made. And if there is progress, then we are in a better position to talk with them without any adverse developments as to those highly important military installations in Turkey.

Q. Do you think Turkey will accept this, the compromise?

THE PRESIDENT. We think it is a good compromise, and we will do our utmost in the executive branch to convince the Turks that it is a solution that will lead to the settlement of the Cyprus problem and to the continuation of Turkey as a strong and effective partner in NATO, plus the good bilateral relations that Turkey and the United States have had in the past.

Q. Mr. President, what can you tell us about the developments in the Helsinki Conference?

THE PRESIDENT. Well, thank you very much. [*Laughter*]

REPORTER. Thank you, gentlemen.

NOTE: The President spoke at 9:37 a.m. outside the West Wing at the White House following his meet-

ing with more than 100 Members of the House of Representatives.

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Special Message to the Congress Proposing Oil Pollution Control Legislation. July 9, 1975*To the Congress of the United States:*

I am transmitting today proposed legislation entitled the "Comprehensive Oil Pollution Liability and Compensation Act of 1975."

This legislation would establish a comprehensive and uniform system for fixing liability and settling claims for oil pollution damages in U.S. waters and coastlines. The proposal would also implement two international conventions dealing with oil pollution caused by tankers on the high seas.

I consider this legislation to be of high national importance as we seek to meet our energy needs in an environmentally sound manner. Those energy needs require accelerated development of our offshore oil and gas resources and the increased use of tankers and deep water ports. This proposal would provide a broad range of protection against the potential oil spills necessarily associated with these activities.

In recent years, we have taken significant steps to limit and control oil pollution in the waters of the United States. Yet, in 1973 alone, there were 13,328 reported oil spills totalling more than 24 million gallons. One-third of the oil spilled is from unidentified sources, where compensation cannot be obtained under existing law. The ability of claimants damaged by spills to seek and recover full compensation is further hampered by widely inconsistent Federal and State laws. Various compensation funds have been established or proposed, resulting in unnecessary duplication in administration and in fee payments by producers and consumers.

This legislation would help protect our environment by establishing strict liability for all oil pollution damages from identifiable sources and providing strong economic incentives for operators to prevent spills. Equally important, the bill will provide relief for many oil-related environmental damages which in the past went uncompensated. For example, State and local governments will be able to claim compensation for damages to natural resources under their jurisdiction.

This legislation would replace a patchwork of overlapping and sometimes conflicting Federal and State laws. In addition to defining liability for oil spills, it would establish a uniform system for settling claims and assure that none will go uncompensated, such as in cases where it is impossible to identify the source

of the spill. The legislation provides for a fund of up to \$200 million derived from a small fee on oil transported or stored on or near navigable waters.

This legislation would also implement two international conventions—signed in 1969 and 1971—which provide remedies for oil pollution damage from ships. These conventions provide remedies for U.S. citizens under many circumstances where a ship discharging oil that reaches our shores might not otherwise be subject to our laws and courts. Protection of the international marine environment is basically an international problem since the waters, currents, and winds that spread and carry ocean pollution transcend all national boundaries.

In proposing implementation of the conventions, I am mindful of the fact that the Senate has not yet given its advice and consent to either of them. I urge such action without further delay. The 1969 convention came into force internationally on June 19, 1975, without our adherence, and the continuing failure of the United States to act on such initiatives may weaken or destroy the prospects of adequate international responses to marine pollution problems.

GERALD R. FORD

The White House,
July 9, 1975.

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Remarks Upon Signing a Bill Authorizing Appropriations for International and Domestic Tourism Programs. July 9, 1975

Distinguished Members of Congress, members of the executive branch, and guests, those interested in travel and tourism:

Let me say it is a great privilege and pleasure to participate in the signing of this authorization for the travel service.

We did have some differences, but I think with some air of responsibility and degree of cooperation we have come up with a good piece of legislation. It provides for the travel service, in the one instance, of \$90 million, running from July 1, 1976, to September 30, 1979. That is the program where we try to convince people in other countries to come to the United States in order to enjoy our people and the beauty of America.

The other part of the program, which also runs from July 1, 1976, to September 30, 1978, a total of about \$8,125,000, is a program aimed at getting the American people to enjoy the beauties of their own country and to get better acquainted with their fellow Americans.

Both programs, in my judgment, are worthy of support. The department, the executive branch does have more flexibility in the new provision, which I can assure you will be judiciously and properly used.

I want to thank the Members of the Congress who participated in the reconciliation of differences, and I certainly wish to indicate to them that we will use this authority and handle this legislation and the funding to the best advantage of the tourism program in the United States.

And with that, I will thank them all again and sign the bill.

NOTE: The President spoke at 3:07 p.m. in the Rose Garden at the White House.

As enacted, the bill (S. 2003) is Public Law 94-55 (89 Stat. 262).

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Letter to the Speaker of the House Urging Resumption of United States Military Assistance to Turkey. *July 9, 1975*

Dear Mr. Speaker:

I wish to share with you my concern about a complex foreign policy problem that relates to the deteriorating situation in the Eastern Mediterranean, the threat to our North Atlantic Alliance relationships, the plight of the people of Cyprus and the role of the United States. Both the Congress and the Executive Branch share a responsibility to reexamine this critical situation with care. This is not a partisan matter or one where the rights and wrongs of a decades-old dispute can easily be judged—particularly by outsiders. Our overriding objective must be to help in the peaceful settlement of a problem that involves two valued Allies and a people whose history as an independent nation has been riven by strife.

The strategic situation must also be weighed. At a time of uncertainty in the Middle East, we should consider carefully any action which could add to the tensions that already exist. Our facilities in Turkey and our mutual defense arrangements have played and continue to play a vital role in the security of the area and, more directly, in the security of our own forces. Mutual defense links that have stood us well for thirty years should not be lightly cast aside.

I have spent much time studying these issues and have talked in Brussels with the leaders of Turkey and Greece. I am convinced that U.S. and Western security interests require the urgent passage by the House of legislation enabling the resumption of our long-standing security relationship with Turkey. The Senate has already acted favorably on a bill to accomplish this purpose.

Existing legislation passed by Congress last December 18, with an effective date of February 5, 1975, has been in force for nearly five months. This action has: (1) called into question the ability of an Ally to continue to fulfill its essential NATO responsibilities, thus undermining NATO's strength in the Eastern Mediterranean; (2) jeopardized vital common defense installations which Turkey and the U.S. jointly maintain; (3) contributed to tensions which are not helpful to Greece; and (4) reduced American influence to move the Cyprus negotiations toward a peaceful conclusion acceptable to all parties.

The legislation voted against Turkey last December is sweeping in its effect. It is more extensive than similar legislation enacted in October, 1974, with which the Administration was in full compliance. The December legislation provides for not only a total embargo on grant military assistance, and cash and credit sales of defense items by the U.S. Government, but prohibits as well the issuance of licenses to permit the export of military equipment purchased from American firms. Practically all nations of the world can purchase in this country at least some items that are forbidden to Turkey. It is now impossible for Turkey to procure most items produced in third countries under U.S. license; nor can Turkey even take possession of merchandise in the U.S. which it paid for prior to February 5 and which is now ready for shipment. The result is that a relationship of trust and confidence with this important NATO Ally, built up over many years, has been seriously eroded. Continuation of the embargo risks further deterioration, jeopardizing our security interests throughout the Eastern Mediterranean area.

For all these reasons, it is my strong view that the Administration and the Congress must join in legislative action that will remedy the present situation. The form that legislation should take to achieve this end is for Congress itself to decide, but it is clear that only legislation can produce the actions which are necessary in this case.

I know that in the minds of many in the Congress there remains the issue of how American-supplied arms were used last summer. The Cyprus problem is one where neither moral nor legal judgments, on the arms issue or any other, can be easily or lightly made. Yet, the effect of the embargo is to ascribe blame totally to one of the parties in a dispute that has its roots in centuries of animosity and for which both sides must share some responsibility.

Where we can all agree, and where I believe we must all act together, is in our sense of anxiety and concern over the Cyprus problem and in a consensus that the only way to achieve what we all seek—a just and broadly acceptable settlement—is through negotiations in which we maintain maximum flexibility

with all the parties. Unless some progress is made in the negotiations, the humanitarian plight facing the people of Cyprus, including particularly the refugee problem, cannot be solved.

The United States will continue to work, at it has done continuously since last July, as hard and as determinedly as possible to move the parties of the Cyprus conflict toward a negotiated settlement. Recent U.S. diplomatic activity in Ankara, Athens and Brussels has contributed to the start of a Greek-Turkish dialogue which has defused the tense situation and hopefully laid the groundwork for Greek-Turkish cooperation.

As we pursue our efforts, we want the continued friendship of both Greece and Turkey, and our sympathy and concern extend to all the people of Cyprus. We want an end to human suffering and misery, and the rebuilding of an island where all can live in freedom and security.

At present, our ability to urge this view persuasively is compromised by the erosion of our influence. I ask the Congress' cooperation and assistance, therefore, in enacting legislation which will assure that America's influence is not further weakened and U.S. interests further threatened at this time of critical concern in Cyprus and throughout the Eastern Mediterranean.

Sincerely,

GERALD R. FORD

[The Honorable, The Speaker of the House of Representatives, Washington, D.C. 20515]

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Message to the Senate Transmitting Amendments to the Convention on the Intergovernmental Maritime Consultative Organization. *July 10, 1975*

To the Senate of the United States:

I transmit herewith for the advice and consent of the Senate amendments to articles 10, 16, 17, 18, 20, 28, 31 and 32 of the Convention on the Intergovernmental Maritime Consultative Organization (IMCO), which were adopted on October 17, 1974, by the Assembly of IMCO at its fifth extraordinary session held at London from October 16 to 18, 1974.

These amendments enlarge the membership of the IMCO Council from eighteen to twenty-four, insure equitable geographic representation of member States on the Council, and open participation on the Maritime Safety Committee to all members of the Organization.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the amendments.

Support for these amendments will contribute to the United States' demonstrated interest in facilitating cooperation among maritime nations. To that end, I urge that the Senate give early and favorable consideration to these amendments and give its advice and consent to their acceptance.

GERALD R. FORD

The White House,
July 10, 1975.

NOTE: The amendments and accompanying papers are printed in Senate Executive F (94th Cong., 1st sess.).

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Remarks at a Meeting To Discuss Federal Regulatory Reform.

July 10, 1975

Mr. Vice President, members of the Cabinet, members of the various regulatory agencies:

I will make an initial, relatively short statement, to be followed by Rod Hills, being the moderator, for the introduction of the four topics which are on the agenda. And Paul MacAvoy will give an introductory remark or two concerning each subject. And then, as I think all of you have been told, there will be one and perhaps several from each of the—well, from some of the regulatory agencies, making an introductory observation and comment, and then a period will be given in each case for members of the various regulatory agencies to make observations and comments.

I think it is quite obvious that I feel very deeply that we must seriously consider the cost to the American consumers of all Government activities. And this, of course, includes regulatory agencies.

Regulatory reform is a theme that arose repeatedly in the course of last fall's economic summit meeting. It is a theme that is finding, as I travel around the country, growing public attention and support, both in popular and economic literature, in the executive branch, in the Congress, and, I am pleased to note, among Government regulators themselves.

A short time ago I met with 24 Members of Congress on this particular matter. There was unanimity on this bipartisan group that we must examine our regulatory practices to make sure they are meeting our present needs.

There was agreement that competition should be relied on whenever possible and that where regulation is unnecessary, it should be avoided. Also, there was a persistent concern expressed by this group that some Government regulation costs the country more than it returns in benefits and that the regulatory process often benefits special interests at the expense of the general public.

Finally, there was consensus that the important public service role of the commissions must be reflected in the attitude of the regulators and the welfare of the consumer must also always be the first concern on their minds.

I have a strong belief that the cost which regulation imposes on private citizens should be faced very squarely. Every citizen should be aware that in some cases the cost in some cases means higher prices, reduced efficiency, less consumer choice, and fewer imaginative ideas.

In calling today's meeting, I do not suggest that the problems reside exclusively in your agencies or commissions.

Regulations that impose costs on consumers can also be found in Cabinet departments and in the intricate, sometimes invisible web of laws and regulations at State and local levels.

My Administration is focusing public attention on the need to eliminate or to minimize unnecessary controls. We should recognize that occasionally Government policies which appear to be in the short-term public interest are in fact detrimental to long-term consumer interests.

I am asking for your continued and intensified help in identifying ways the commission can assist in our collective efforts to restore inventiveness and growth in the American economy.

As we look for short-term solutions, we must also chart a course that permanently relieves the economy of unnecessary long-term impediments. In some instances, the circumstances which caused Government to institute regulatory schemes have changed. You should be the leaders in identifying areas where regulations should be eliminated or substantially revised.

You have been given by law extraordinary authority to regulate the economy for the public good. With these unusual powers and responsibilities, you must function as models of effective and open government.

There are four major areas that deserve very careful attention:

First, there must be a constant effort to improve each commission's ability to identify the costs and the benefits of current and proposed regulation. You should make sure that the quality of your economic analysis matches your high standards of legal professionalism.

In particular, the costs as well as the benefits of restricting competition must

be considered. Also, the benefits of worthwhile social goals must be weighed against their economic cost to the Nation as a whole.

As you know, I have ordered all departments and agencies to prepare an inflation impact statement on each of their major proposals. I am pleased that the House of Representatives has changed its rules to require similar analysis, and I note that the Senate in several similar measures is doing the same thing. I ask each of you to give this matter the highest priority.

Second, we must make every possible step to make sure that the backlog and the delays in regulatory proceedings do not weaken the public belief in an equitable and efficient regulatory system. If legislation is needed, you may be certain that the Congress and the Administration will provide such laws.

Third, the public can rightfully expect that you be the leaders in suggesting appropriate legislative changes in your authorizing statutes.

Fourth, I have asked all departments and all agencies to reexamine their present procedures for assuring that the consumer's interests prevail.

I believe that competition in product quality and price is the best consumer protection. By freeing entry, adding to rate flexibility, and promoting service competition, the consumer can be given the choices that only the marketplace can provide.

I also urge you to ensure clearer communications with consumers so they will better understand your actions.

Our joint efforts in these areas will move us a long ways towards the efficient and useful regulatory system that we all seek.

In addition to achieving these administrative reforms, my Administration specifically will be seeking further legislation that would also intend to reform our system of regulation.

It is my strong conviction that the consumer is best able to signal his wants and needs through the marketplace, that government should not dictate what his economic needs should be.

Therefore, I have proposed and will continue to support legislation to relax or eliminate the Federal controls over areas where I believe the marketplace can do a better job. I believe the Government should intrude in the free market only when well-defined social objectives can be obtained by such intervention or when inherent monopoly structures prevent a free, competitive market system from operating. Government should foster rather than frustrate competition. It should seek to ensure maximum freedom for private enterprise.

Agencies engaged in regulatory activities can expect that the Antitrust Division of the Department of Justice will continue to argue for competition and

lower consumer prices as a participant in your agency's proceedings. Furthermore, the Attorney General will continue to ensure vigorous antitrust prosecution to remove private sector barriers to competition.

We have or will propose regulatory reform legislation in such areas as energy, transportation, financial institutions, and communications. I have asked Congress for its cooperation in giving these bills early consideration, and I ask for your personal and organizational support in achieving needed reform.

The legislation I am proposing would reduce the Government's role in the setting of prices. Also, it would enhance innovation by making it easier for new businesses to compete with existing firms. It would remove barriers from existing firms to allow them to develop new services and lower prices as well as abandon unprofitable or unnecessary services.

This meeting and my earlier meeting with the Congressional representatives are only the beginning, and I emphasize that. Today, we will continue the dialog begun at the Congressional meeting.

Rod Hills and Paul MacAvoy, as I indicated, will briefly describe our agenda for the meeting this morning. I will be interested in hearing more about the steps you are taking to improve our system of regulation as well as the problems you face in this effort.

I am particularly hopeful that we will be able to identify those practices which are more deserving of attention and reform.

If this meeting does foster a program of action—and I think it can—and a new spirit of cooperation between all of our commissions, the Congress, and the White House, then in my judgment we will be responsive to the public interest.

I thank you for being here and at this point I'll call on Rod Hills to get the meeting started as the moderator.

[The President spoke at 11:07 a.m. in the East Room at the White House. In his remarks, the President referred to Roderick M. Hills, Counsel to the President, and Paul W. MacAvoy, a member of the Council of Economic Advisers.]

Attending the meeting were the Chairman and one member each of the Civil Aeronautics Board, Commodity Futures Trading Commission, Consumer Product Safety Commission, Federal Communications Commission, Federal Maritime Commission, Federal Power Commission, Federal Trade Commission, Interstate Commerce Commission, Nuclear Regulatory Commission, and Securities and Exchange Commission.

At 1:10 p.m., the President concluded the meeting with the following remarks:]

At the outset, in the closing remarks, let me thank each and every one of you for your participation.

You have a great responsibility individually and collectively. Some are old in

origin, some are relatively new, but each of you have a very definite mission, and you have some monumental problems to face.

As I said at the outset, this is the first meeting of this kind, and I do get a sense that perhaps subsequent meetings would be in order.

I do feel that the Congress will be responsive to the effort that is being made by you and by us, and I am certain that your relations in this area with the Congress will be improved, particularly if you respond to what they are suggesting and what we are approving.

Actually, there are five followup actions that I would like to emphasize:

Each Chairman, I hope, will give further attention to the cost-to-benefit analysis of the commissions under their chairmanship. I think it is absolutely essential that we fully understand the economic costs of your activities in order to take concrete steps to achieve these reforms. And to facilitate this understanding, I would hope that you would actually issue the cost-to-benefit analyses on your major programs. This would parallel the inflation impact statements that are required of the various Federal departments and agencies in the executive branch of the Government. And they would coincide with the requirement now in the House of Representatives for an inflation impact statement on every major legislative proposal that is submitted to the House as a whole.

Secondly, I would ask that you undertake a comprehensive and specific review of all areas where regulatory delays presently occur in order to eliminate any of the impediments to a speedy and an effective process. I think it makes sense to set a goal of 6 months to see if you can, in a demonstrative way, show a reduction in any of the regulatory delays that you know, better than I and better than others, take place.

Third, I would ask that you study and revise the procedures as they are appropriate to ensure that you are responsive to the legitimate consumer interests and that your actions are more clearly understood by the American people.

Fourth, that you should consider the most fundamental changes that would move us toward deregulation in areas where the regulatory process no longer makes sense. And I think Chairman Nassikas¹ has made a very valid point in the case of deregulation of natural gas.

In some areas, it is increasingly clear that more competition is a better regulator than the Government itself. I know some of the agencies are moving in this same direction with respect to deregulation of certain aspects, such as in the case of the CAB.

¹ Chairman of the Federal Power Commission.

This experiment in one or more agencies, born of more recent vintage, I think, can produce substantial results. And I would strongly urge every commission to undertake an analysis to see if you can't do something in this area.

It is my judgment that in every case you have to ask yourself individually as commissioners and as a commission: Is regulation better in each case than an unregulated market?

Finally, I will continue to meet with the 24 designated Members of the House and Senate, both Democratic as well as Republican, to review with them the progress in the areas where we think action can be taken, must be taken. And I am asking the members of my Administration to work closely with each of you and each of your commissions, as well as to respond for the executive branch in their areas of jurisdiction.

It is my judgment that with the cooperation of the Congress—and I am sure it will be there—with the cooperation of each of you and your respective agencies, and with the full participation of the executive branch, we can make some very substantial headway.

And we will all be applauded, in my judgment, by the American people, and we will have a healthier and a far more efficient economy.

I thank you very, very much.

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Remarks at a Briefing for Local Officials on General Revenue Sharing. July 10, 1975

Mr. Vice President, members of the Cabinet, distinguished guests, ladies and gentlemen:

It is wonderful to have you here in the White House. As I look around the room, I see many, many mayors that have been so kind and hospitable and thoughtful to me in my various travels, and I thank you for it.

It is nice to have an opportunity to reciprocate not only with this meeting here this afternoon, but when you conclude your opportunities with the Cabinet and other members, I am looking forward to joining you for some refreshments in the State Dining Room. So, after you have gone through your labors, why, we will see you a little later this afternoon.

I was trying to look at some notes that I put together yesterday, and I was going to say something yesterday based on what I read about what you had

been doing. And then I read this morning, and I thought I had to change my remarks. [*Laughter*] So, instead of using any notes, I will just respond extemporaneously with some of the things I know you are interested in.

First, I am deeply grateful that your organization in its deliberations yesterday made a decision to not relate your problems to the national defense needs and requirements of our country as a whole.

I think there is enough money available for all of our essential programs to be adequately funded. And I think it is important for us to have your support in a completely strong, alert military organization, because if we don't have that kind of strength for national security, many of the other things we try to do cannot be sustained.

I spent 14 years of my 25 years in the Congress working on the defense appropriation bill, so I know a little bit about it. We had Secretaries of Defense come before that committee every year. We had all types of military personnel coming up to justify the budget, and we in those years provided an adequate military force to protect our national security. We didn't give them too much. We gave them enough, and the net result was, our security during a very difficult period was fully adequate for the defense of this country.

And I can assure you that in the presentation of a military budget by this Administration, the Army, the Navy, the Air Force, and the Marines will get everything they need and not one penny more. But we do need that as insurance for the maintenance of peace and the winning of any conflict, if we should be involved in one.

I think records ought to show that some 7 or 8 years ago, out of our total expenditures for the Federal Government, the Defense Department received roughly 43 or 44 percent and that many of our other programs, primarily in the programs to help people—and that is used in the broadest context—the percentage that came from the total expenditures of the Federal Government was roughly 32 or 33 percent.

Now, we are spending a lot more money today, and out of the total pie, the Defense Department gets about 30 percent and all of the other programs are now getting over 40 percent. So, we not only have a bigger percentage going to the nondefense areas but we have a bigger piece of pie from which to make money available. And we will continue to make sure that everything we can will be done in the areas in which you have a tremendous responsibility.

But at the same time, in dividing this Federal availability in the area of money, we have to have an adequate amount for our national security. I think if we do it right—and I think we will—the defense will be adequately funded, our peo-

ple will be adequately supplied, and you who have great responsibilities out through 50 States will likewise get everything we possibly can to help you.

Now, let me talk about two programs in which I know you have an interest. First, general revenue sharing.

I can recall vividly 10 years ago, when the idea was first seriously proposed. It moved very slowly. Many people had serious reservations and some good areas of reservations, but gradually it was realized that general revenue sharing was a way, and perhaps the best way, to strengthen local communities and States so that more decisionmaking could be handled at the local and the State level. I happen to subscribe to that, because all of you—and literally hundreds around the country—can make most of the basic decisions better at your level than we can in Washington.

General revenue sharing was one way in which the Federal Government could make it easier for you to do. And so I think it was 1972 that finally, after a tremendous effort by many people—individuals from your organization, Governors under the leadership of the now Vice President, Members of the Congress, members of the White House staff—we finally put together a finely tuned general revenue sharing program that has been in effect now, so that about \$17 billion has been made available to States and local communities out of the anticipated 5-year program of roughly \$30 billion.

Now, I know a little bit about the negotiations that went into getting counties, getting States, getting cities to work together on a formula. And the three parts of that formula, as I recollect, are number of people, need, and tax effort.

I don't think that we want to go through that long negotiation again, and let me tell you why. There are still in the Congress many Members who were opposed and are opposed to general revenue sharing, and if we tinker with the formula or if we try to undermine it in any other way, it would be my fear—and it should be yours—that the whole program would not be extended. That serious possibility, in my judgment, should encourage us to work together to extend what we have.

Now, I recommended a 5-year extension of the program last April. It is basically the proposal that is on the statute books today. I added a little annual increment, so that there could be an increase each year to take into account the cost-of-living increases that we are experiencing.

I think it ends up after the 5-year period, Jim [Lynn], of about—it is \$39 billion in this 5-year period instead of the \$30 billion in the first 5 years.

So, I think on dollars we can justify it. The formula is about as equitable as you can make it. And more importantly, if we work together, we can get

it enacted. And if we fool around, in my judgment, you face the possibility that it will either not be extended on the one hand or it could be confused such that you wouldn't like it.

So, there is an old adage, you know, a bird in the hand is worth two in the bush. And I just think and I'll bet Coleman Young there thinks so, too.

Now, let me talk about the new highway bill that I submitted a week or so ago. I probably had the reputation of being the most dedicated to the Highway Trust Fund as any Member of the Congress, and I think it did a great job over a period of some 20 years.

We have substantially built a 42,500-mile Interstate Highway System. Eighty-six percent of it is completed. We have been collecting 4 cents a gallon in Federal gasoline excise tax. We have had some other Federal excise taxes go into the trust fund, but we are coming to the point where it can and will be completed. But it doesn't need as much funding today as it did before.

And so, I have recommended that out of the 4 cents, 1 cent continues to go in to fully fund and complete the interstate highway system, 2 of the 4 cents be turned over to the general fund, and 1 cent of the 4 cents go back to the States as soon as the respective States enact a 1-cent increase in their gasoline tax. We keep it until they take it. If they do it under your formula in your respective State, I think you will be the beneficiary. So help us out.

Now, what else does the program recommend? Under the existing Federal highway law, there are some 30 categorical grant programs, and there has been a tendency in recent years to multiply them, not to make them less. And the net result is that Governors tell me that there is so much inflexibility they can't adequately and expeditiously go ahead with their roadbuilding programs.

What we have done is to recommend that those 30 categorical grant programs be reduced to four: the interstate highway program being one, an urban program being another, a rural program a third, and the safety program a fourth.

And when you take that program and combine it with the mass transit bill that we got through with the help of a lot of the mayors here last year, the \$11 billion mass transit bill that was put through in the last days of the last session—if you take the urban highway program and the mass transit program, there is sufficient money and adequate flexibility for the major metropolitan areas if they desire—that's your option—to proceed with the development and the expansion of a mass transit system in our major metropolitan areas.

I hope that you can help us. I believe that it is good for the country—the new highway program. I believe that it will be immensely beneficial to you and the people that you so adequately and effectively represent.

So, as you talk to your Members in the House as well as in the Senate, do a sales job. I think you will be better off with our program, and so will your constituents, than for an extension of the existing Highway Trust Fund in its present concept.

Now, there are other things that you will hear about from members of my Administration. There are other things where you can ask some questions.

I am an optimist about where this country is going in the future. We have gone through a rough time the last few months, and we are not totally out of the weeds at the present time. But every indicator I see is turning up or it looks like it is not as bad as it was a couple of months ago.

So, when you put them all together, it adds up to the fact that America is going to start bounding upward. Our economy is going to improve. Job opportunities will be enhanced. Your financial affairs inevitably will improve, and I hope ours will, too. But the net results is because of our faith in this Government, because of the kind of government we have, America has got bright days ahead. And all of us, regardless of political affiliation, can be the beneficiaries..

Thank you very much.

I have two final responsibilities before the good opportunity to get together with you later: one, to congratulate Moon Landrieu on his election and secondly, to introduce to you, for some observations and comments, the Vice President of the United States, Nelson Rockefeller.

NOTE: The President spoke at 2:07 p.m. in the East Room at the White House at the briefing by the Vice President and Administration officials for 120 mayors and 70 persons representing governmental and nongovernmental public-interest groups.

In his remarks, the President referred to Mayor Coleman Young, of Detroit, Mich., and Mayor Moon E. Landrieu, of New Orleans, La., the newly elected president of the United States Conference of Mayors.

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Remarks at Groundbreaking Ceremonies for the Uniformed Services University of the Health Sciences, Bethesda, Maryland. *July 10, 1975*

Thank you very much, Dave Packard. Senator Strom Thurmond, my good friend Eddie Hébert, Secretary Schlesinger, Secretary Middendorf, and other distinguished guests, ladies and gentlemen:

I feel greatly honored to have the opportunity of being here on this very historic day when the hopes of so many, for so many years, finally is coming to fruition.

I know from firsthand experience how long and how hard Eddie Hébert worked on this legislation in the House of Representatives. As he left the podium, he observed that the first year he introduced it I was a freshman in the House of Representatives, and that's a long time ago. [*Laughter*]

But Eddie, of course, would recognize first that many, many other Members of the Congress joined with him and gave him the kind of support on both sides of the aisle and at both ends of the Capitol, and as a consequence, the joint Uniformed University of Health Sciences becomes a reality. And of course, we recognize that many, many people in the medical profession likewise, even up to this date, have made significant contributions to this concept and to this facility.

I know that those who have worked so hard and so long must have a wonderful feeling to be here at this time for this groundbreaking here in the shadow of some of the greatest medical facilities this country or any country has—the National Naval Medical Center here at Bethesda, the National Institutes of Health, our National Library of Medicine. This is a fitting part of that complex we have right in this area.

Now, we have gathered here today to launch a new venture that will continue our long, long tradition of providing outstanding medical care to the men and women who wear our country's uniform.

I was the beneficiary of it a long time ago in the Navy, I was as a Member of Congress, and I am today. And I can say without hesitation or qualification that the medical service for our people in uniform is the best, and I thank all of you for all of those who have been the beneficiaries.

Now, by bringing together men and women from the Army, the Navy, the Air Force, I think this new facility will perform another vital function. It will give members of the three services—three proud and, yes, independent services—the opportunity to work together for a common goal without forsaking their separate traditions. And they won't have to forsake, either, the distinctive personal identifications with the individual branches that they serve.

This university will encourage, in my judgment, cooperation between the services without reducing their independence or their integrity. It's a bold innovation and true, in my judgment, to the best traditions of the Armed Forces.

I am here to say a few words and to participate in the groundbreaking to express my faith in what I believe will prove to be true—a great American undertaking, one that we can all be proud of, and one that will pay great human dividends in the form of outstanding health care for the men in our uniformed services as well as humanity on a global basis.

This is a proud day for the Army, the Navy, and the Air Force, but I think equally important, a proud day for all the American people that they serve so well.

Thank you very much.

NOTE: The President spoke at 3:32 p.m. at the National Naval Medical Center.

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**Address in Chicago Before the Mid-America Committee for
International Business and Government Cooperation.**

July 11, 1975

Thank you very much, Arthur. Senator Chuck Percy, my former colleagues in the House of Representatives, Brooks McCormick, John Swearingen, distinguished guests, ladies and gentlemen:

Let me say at the outset that Betty and I feel very deeply the warmth of your thoughtfulness and reception, and on her behalf as well as mine, I thank you very, very much.

This has been a very enjoyable and educational evening with the Mid-American Committee. Coming from Washington, it is good to know there is at least one committee that really works. [Laughter] With all apologies to you, Chuck, we have a little trouble with them—not Chuck. Some of those committees in Washington really are the best places to do nothing that I know. [Laughter]

Now, if it is true that all roads today lead to America, as they once did to Rome, then it is also true that America's roads actually lead everywhere. Time, distance, language, and other barriers and other boundaries of the years in the past disappear almost daily, and the facts of life are that they will disappear more rapidly and more readily in the future. Whether we like it or not, we live in a competitive world of swift communication and dynamic change.

This evening, with your indulgence, I would offer you a quieter and perhaps a longer look at America and the world, not a stop-and-go, short-term view of the United States programs and policies, not the world of immediate answers and instant cures, but some long-term observations on the long-range future of our country.

America's first order of business—at least my first order of business, and I think it is that of 214 million Americans—is full economic recovery.

I know that many of you in your respective businesses have economists and analysts and forecasters and others, as we do in the Federal Government. And it is the information that I get—and I think it is reasonably reliable—that tells me that the decline in output and the increase in unemployment has stopped. And that is good news for America.

No one can say with certainty—no one can say that everything points precisely in the way that we want it, but there are far, far more signs on the plus side indicating to us that we are on the road to economic recovery.

On the other hand, as we look at the path ahead of us, it is my judgment that we must take all necessary steps to make sure, to make certain, and to make positive that this recovery continues, avoiding some of the pitfalls of the past and the problems that have been not well-handled in the years of a few experiences before.

This means to me three things—if I might be quite categorical: sustained economic growth, we must make a maximum effort to curb inflation, and we must provide job opportunities for the maximum number of Americans, particularly all that want the opportunity and the responsibility. And this means, as I see it, individual economic opportunity and freedom. Jobs mean individual dignity, and I can assure you that I will do my utmost to restore that dignity to all American workers.

This is a very delicate time, calling for carefully considered, deliberate decisions, for carefully constructed, long-range economic planning. If we are to have the absolute, necessary, sustained growth for this country, we must have that growth with inflation under control. And if we are to avoid new, perhaps worse inflation than ever before, then our recovery policies of today must be based on responsible fiscal restraint.

I was looking at some figures the other day, and a few weeks after I took office, the rate of inflation was between 12 and 14 percent per annum, the worst this country had sustained for a long period of time.

Many people felt that we had no capability of answering or meeting that problem, but some decisions were made and some results have been achieved so that for the last 5 months—according to the statistics—instead of 12 to 14 percent inflation, we are down to 5 to 6 percent.

That is not satisfactory, and we will not be satisfied with it. But I think that we have made substantial progress, and we have done it in a sound and a constructive way.

I must say it hasn't been easy, but the American people have been wise and tolerant. And the consequence is that a policy of fiscal restraint and some

strength has brought us to a point where we can look ahead with some optimism.

But as we look down the road, I think we must be moderate in our economic plans and expectations. It would be foolhardy, in my honest opinion, to allow the economy to start and then stop and then start again.

We must not permit government pump-priming to break the economic dikes again, as it did in the past. False hopes, as I see it, must not be paraded before the American people—the promise of a quick fix—leaving them with empty illusions.

To avoid all that, to the best of our ability, we will continue to steer a firm and steady course in our Government's economic policy. Obviously, I will continue to veto some unnecessary spending by the Congress.

If I might say so parenthetically, I thank those Members of the House and Senate, both Democrats as well as Republicans, for the support that they have given in some of these very tough, difficult decisions that they had to make in legislation that had a good title—and I give the benefit of the doubt to good intentions—but were fundamentally unsound economically—those that stood with us when the going was tough. And I thank them who are here and those who are not in our audience tonight.

At this point, let me say, however, too many in the Congress have been playing with fire, attempting on too many occasions to add huge amounts to spendings that would under any circumstances rekindle inflation. If I might add at this point, in those circumstances, the veto is the only Presidential tool that can be used to seek a constructive answer in a compromise with the Congress.

Too many people have the impression that a veto is a negative action by a President. That is not true at all. The history of a veto over the last 25 years is—whether it was Mr. Truman, Mr. Eisenhower, Mr. Kennedy, Mr. Johnson, Mr. Nixon, or myself—is that if a President vetoes a spending bill, eventually the Congress comes back with some moderation, a better put-together piece of legislation in language or in dollars. So, the net result is that a President uses the veto in a constructive way, not in a negative way.

Now, in the short run, some of these vetoes may be unpopular, with some at least. But in the long run, I believe they will be seen as the right action to have been taken by the White House. I can assure you tonight, as I have tried on other occasions to assure the American people, that we will not spend them into more headaches and more heartaches for a hollow victory, a short-term period of economic resurgence that might last a year or two if we took the expedient course.

If we look back over the last 25 years of our economic life in this country,

you will find we have had too many peaks and valleys. What we really need is sustained growth, and we can have it if we use the right fiscal and monetary policies.

It is my judgment that a President has to look at the longer range. He should not look at tomorrow or the next month. He should aim at a reestablishment of a stable, solid foundation for the years ahead.

Excessive Federal spending has already inflicted a tremendous toll in taxes and economic damage to the public. The roots of the problem, as most of us know, date back many years. Too many politicians and some theorists over the years have advocated massive spending as a cure for just about everything that has ailed us economically in America.

In the past 15 years alone, enormous, unbelievable Federal deficits were used to finance recordbreaking domestic spending. And too many of these expenditures, as we look through the records, have produced short-term benefits for some Americans while inflicting long-term damages on all Americans. And we cannot and will not condone that policy.

Now, many of those programs which sought to help the poor, the elderly, the disadvantaged—these people are now trying to cope with the inflationary crunch of Uncle Sam's spending sprees. And this phrase became a trademark of the Congress in the 1960's and beyond—and let me phrase it this way—legislate first and perfect later. But, unfortunately, as some in this room know, the lawmakers rarely, if ever, got around to perfection.

What happened is that the Federal Government has been living and dispensing the Nation's treasure far beyond its means for far too long, engulfing the economy in the flames of inflation in the process. And I think the American people now realize that benefits cannot be created for some without imposing costs on everybody.

The net result is that moderation and restraint—and these aren't very exciting words, but they are key words in an economic lexicon. Now, some will say they don't blow your mind. But neither will they blow your salary and savings that you worked so hard for all of your life.

It is my judgment that the American people today want to know where they stand, where the country stands, what the facts are. And I believe the American people are tired of siren songs and would appreciate some simple, very straight talk.

I believe there is a magnificence in simple economic truth, because it has been so abused over the years—it has almost been lost. I believe that much of the discouragement, much of the disillusionment that we have seen in the past

several years has been caused by excess in word and action by some in our society.

I firmly believe that real strength, true courage, is found in life's long-distance runners—and there are many in our Nation—who have run their businesses and their careers with a controlled and sometimes painfully agonizing effort. But progress has been steady. These are the qualities of greatness—not the instant fix or the short-term Band-Aid.

What are the priorities to achieve our economic goals? We must increase production in our Nation. We must not only restore old jobs but create new ones, and we do this internally as well as internationally. To accomplish that we must increase the amount of capital in our society. It is an essential ingredient to progress in the future.

Our economic difficulties of the past year mask a very serious weakness in our industrial capacity. Much of our productive machinery is obsolescent and inadequate to meet the demands of a dynamic economy. We run the risk of industrial capacity running out as we meet the demands in the months ahead, particularly if we want to restore the jobs of those Americans that we want gainfully employed—and we want them all.

As many of you know even better than I, to create a job in private industry today it costs an average of about \$40,000 in our today's market. And I know from all of the advisers I have gotten within and without the Government that American industry faces a great capital shortfall in the present, in the future, and we must do something about it. In the past decade our industry raised and invested \$1.5 trillion—that is a lot of money. As a matter of fact, it approximates the Nation's total output for 1 year at the current annual rate.

Looking at the next decade, between now and 1985, our investment needs are stupendous. Estimates given to me show \$4.5 trillion. We know that investment means jobs. To create more jobs, this Administration believes that a number of tax changes and other measures are absolutely necessary to promote investment and capital formation. We must put some muscle into our productivity if the economy is going to make the steady, sure progress we need for full economic recovery.

The President's Labor-Management Committee, of which Arthur Wood is a distinguished member, recommended about a month ago a number of tax changes to speed utility construction, which I have endorsed and this Administration is trying to promote in the House and Senate. Special action in this industry is needed for two very basic reasons:

First, adequate energy is essential as a key to economic growth. We must start now to assure sufficient energy to support economic growth for the 1980's.

Second, accelerating construction in this vitally needed industry—one of our largest of capital-using industry—means jobs in the immediate future, and we want meaningful jobs in the private sector in preference to those jobs that are made by government action. The former are far more important for the well-being of the worker and for our society as a whole.

One of the answers to our increased capital needs is a greater involvement of America's middle-income group in savings and investment. I look not only to mid-America for progress but also to middle-Americans.

There are two other areas in our long-range plan for full economic recovery and future growth. We must reform the Government's regulatory processes which threaten to choke the life of our private sector.

If I might, let me make two points. Everybody in Washington who has a reasonably objective view believes that we have to get the regulatory commissions to do something affirmative in this area. And we took the initiative and we had 24 Members of the House and Senate—12 Democrats, 12 Republicans—down to make sure that the Congress was working with us and we were working with them in trying to get some initiative from the regulatory agencies to do something about their responsibilities.

And then several days ago, I had a meeting with the Chairmen and all of the commission members of the 15, or thereabouts, regulatory commissions to make sure that they knew that although they are "independent," they have a responsibility to the Congress, to the President, but more importantly to the American people, and they better get moving in correcting the time lag, the inefficiencies, and the other things that make the American people so unhappy with them. I think we are going to make some headway.

And then I will add this: I made a speech a month or so ago to, I think, the Chamber of Commerce or one of the organizations such as the Chamber, and I said that Washington was overwhelmed with paperwork. And I cited that there were 5,125, as I recollect, forms that were distributed by various agencies of the Federal Government, and this was just too much for society to bear. And that is true. But I also told my staff that a year later there better be less rather than more. [*Laughter*] There better be about 500 less or we haven't done our job.

But there is another area which I think needs your attention and my attention and the attention of the Congress, and I speak now about a long-range commitment to energy independence. We have had Government redtape involved

in this problem for too long a time. We have had little action and no affirmative results in trying to get the United States to have a meaningful energy program.

We have had reports. We have had recommendations. I submitted to the Congress early in this year a substantial program for conservation and new sources of energy. Unfortunately, there has been little or no action by the Congress in either conservation on the one hand or new sources on the other.

If we don't do something affirmatively in this area in the short range or in the long haul, this country's vulnerability to outside influences and actions gets worse and worse and worse every single day.

It is obvious that a sound economic recovery in this country demands a firm commitment to energy independence. No long-term economic growth in America can develop without an adequate and secure energy base.

We can no longer count on an abundant domestic oil and gas supply for continued economic growth. Obviously, alternative sources must be developed from coal, the atom, and the new and yet unproven alternatives, such as solar energy.

I happen to believe, however, that the free enterprise system is the best hope for freeing us from dependence on others for our energy in the United States.

For example, I have asked the Congress to approve legislation that would allow private enterprise for the first time to enter the business of enriching uranium and providing the kind of base that is essential and necessary for our nuclear energy in America as well as for our allies and friends around the world.

Now, in speaking this evening, I have used terms like moderation, restraint, reason, savings, investment, and long-term. They aren't new ideas or new virtues. They are as old as civilization. They are sound, however, and history proves that they are right. I am convinced they are essential to our full economic recovery in America.

I believe that old values are as new as their need. I believe that great scientific discoveries of this century have changed the world, but I also believe that basic principles—such as honor, truth, hard work—have given it stability. I believe that the wisdom which mankind has learned over time is imperishable, and we ignore it at our own risk.

That is why I believe, with no apologies, in so-called old-fashioned, individual responsibility. Responsibility is the price of independence. It is the cost of freedom, be it economic freedom, political freedom, or individual freedom.

We believe in the brotherhood of man because we recognize the worthiness of each individual.

I believe we do well to honor history—to consider carefully our past before deciding our future. America today turns back 200 years to rediscover its birth and its youth. We find that our first citizens were indeed a people of principle and truly remarkable perseverance. These principles and that perseverance live in our country today.

It is our responsibility, yours and mine, to preserve and to protect the inheritance of the past two centuries. And let us this evening pledge to be worthy of that inheritance.

Let us, the pioneers of our Nation's third century, carry on these noble ideals and traditions that reflect not only the accomplishments of our past but the promise of our future.

Thank you very much.

NOTE: The President spoke at 9:26 p.m. in the Grand and State Ballroom at the Palmer House. In his opening remarks, he referred to Arthur Wood, chairman of the board of Sears, Roebuck and Company,

Brooks McCormick, president of International Harvester Company, and John Swearingen, chairman of the board of Standard Oil Company of Indiana.

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The President's News Conference of *July 12, 1975*

RELEASE OF LEBANESE TERRORISTS' HOSTAGE

THE PRESIDENT. [1.] Good morning. I have one short announcement, a very important announcement.

I am deeply relieved at the report of the safe release of Colonel Morgan. Since his abduction on the 29th of June, the United States Government, with the close cooperation of the Government of Lebanon, has been trying to secure Colonel Morgan's return, and we are extremely glad to report that that has occurred.¹

At the same time, the United States is greatly appreciative of the extraordinary efforts of the Government of Lebanon in obtaining Colonel Morgan's release and for the assistance of others who have worked toward this end.

At this point, I would be glad to recognize Mr. Neil Mehler of the Chicago Tribune.

¹ On June 29, 1975, Col. Ernest R. Morgan, USA, was kidnaped by members of the Socialist Revolutionary Action Organization near the Beirut Airport. He was released to Lebanese Premier Rashid Karami on July 12, following the United States' refusal to defer to the organization's ransom demands.

QUESTIONS

ILLINOIS REPUBLICAN PARTY

[2.] Q. Mr. President, the Republican leaders with whom you met for breakfast say you talked to them of your campaign and of unity in the party here. How can you insure that there won't be a reoccurrence of the 1972 situation in which the Presidential campaign was competing for dollars in Illinois and competing for resources, especially when the party is at low ebb here now?

THE PRESIDENT. The meeting we held this morning brought in all elements of the party in Illinois, and I outlined to them how my own personal campaign will work closely with, not with a part, but all elements of the Republican Party in the State of Illinois.

We have this understanding at the outset, and I think it will improve rather than deteriorate. Under no circumstances will we have a repetition of the unfortunate developments in 1972.

Yes, Mr. Leubsdorf [Carl Leubsdorf, Associated Press].

OIL PRICES

[3.] Q. Mr. President, last night you warned again of the dangers to inflation from Congressional spending, but many economists in the Congressional budget office think the greatest single threat at the moment is the forthcoming decontrol of domestic oil prices. With that in mind, are you prepared to accept the legislation that is being worked out now that would extend the control program to the end of the year?

THE PRESIDENT. This is a very complicated question. I would accept an extension of the existing legislation that permits some overall control and flexibility on the part of the President.

At the same time, we do have to move to stimulate additional domestic production of oil in the United States. And I, early this next week, will submit to the Congress a responsible, well-timed decontrol of domestic oil so that there will not be a precipitous rise, but at the same time offer encouragement for those that are seeking to increase and improve our domestic oil production. This, of course, would make it far better from the point of view of the United States, because we would be less vulnerable to the foreign oil imports.

What I will try to do is to phase out control in a responsible and reasonable way under existing law, and if the Congress goes along with that program, I would welcome an extension of the existing law for overall control.

GASOLINE PRICES

[4.] Q. As a followup to that, as you know, the price of gasoline is now in the mid-60's per gallon. How high do you think it can go and still be economically and politically acceptable?

THE PRESIDENT. If we don't increase domestic production of oil and become more and more vulnerable to foreign oil imports, then gasoline prices could rise substantially.

My program for a self-sufficient energy program in the United States will preclude any precipitous rise in domestic gasoline prices. So, the Congress has to work with me in trying to get an energy program that will increase production at home so we will not be held vulnerable to foreign oil price increases.

I believe that we are making some headway, but the Congress must move more quickly if we are to foreclose the kind of gasoline price increases that might occur if we stay vulnerable to foreign oil imports.

Q. But there is no specific figure that you would like to hold it to?

THE PRESIDENT. No, because the Congress hasn't acted. Until we know what the Congress does, I can't predict with certainty what the domestic production will be.

FORMER PRESIDENT NIXON

[5.] Q. Mr. President, would you consider extending the pardon of former President Nixon to cover his recent testimony to Federal prosecutors and members of the grand jury?

THE PRESIDENT. I don't think I should speculate on something like that. Nothing has happened. The decision I made in September was the right decision as to the time and otherwise, and I don't think I should speculate on something that hasn't taken place and may not take place.

VIEWS ON THE PRESIDENCY

[6.] Q. Mr. President, as you near the end of your first year in office and prepare to start campaigning for election to a full term, what do you consider your biggest personal accomplishments and failings as President?

THE PRESIDENT. I believe that we have done the following: One, we have restored public confidence in the White House and in the executive branch of the Government.

On the economic side, we have made substantial progress in reducing the rate of inflation. A year ago, the rate of inflation was 12 to 14 percent. We have cut it in half; it is now roughly 6 percent. We are not satisfied, but it is going to be a

constant struggle to reduce the rate of inflation in the months ahead, and I think we will be successful.

Secondly, in the economic field we are concerned about the rate of unemployment. We don't believe that an 8-percent or 9-percent rate of unemployment is acceptable. We are tailoring our domestic economic plans on reducing the rate of unemployment, and I believe that in the months ahead, you will see a moderation and certainly a decline in the next 6 to 12 months.

I am encouraged—and I think this is a good sign—that despite the rate of unemployment, in the last 2 months the actual number of people employed in the United States has gone up by roughly 450,000. I think that is an accomplishment, bearing in mind the overall economic circumstances.

In addition, we have taken some other steps aimed at making the United States energy self-sufficient and less vulnerable to foreign oil imports. In addition, we have promoted what I think is very important—some constructive steps to deregulate the American economy, getting rid of those regulations that are no longer needed and necessary. And progress in this area, I think, will be more significant in the months ahead.

When I look at the overall, concerning the problems we had on our doorstep when I took office last August, I think whether it is in foreign policy, where we have strengthened our relationship with the NATO countries, handled our disengagement in Indochina, took forceful action in the *Mayaguez* case, or whether you look at the overall domestically, in my judgment, considerable progress has been made.

Q. What do you consider your major failings?

THE PRESIDENT. Well, I will leave that to my opponents. [*Laughter*] I don't think there have been many.

LEBANESE TERRORISTS' HOSTAGE

[7.] Q. Mr. President, can you tell us what was negotiated in order to obtain the release of Colonel Morgan?

THE PRESIDENT. Well, our representatives in Lebanon worked very closely with the Government of Lebanon and with other elements in order to make sure that Colonel Morgan was returned. We have a policy—and I think it is the right policy—that we will not as a government pay ransom, and as far as I know, it was not done in this case by our Government. But by working closely and firmly with all parties, we were, thank goodness, able to return Colonel Morgan safely.

THE REPUBLICAN PARTY

[8.] Q. Sir, your aides tell us this is a nonpolitical trip, but as mentioned earlier, you did meet with local Republicans, as you have done on several nonpolitical trips in the past. Now, other Presidents have done the same thing. But my question is: Since you have talked of setting high ethical standards for your campaign, do you think it is being totally candid to call these trips nonpolitical?

THE PRESIDENT. Yes. If you look at the schedule that we have followed so far on this trip and the things that we are doing later, such as the commencement address to Chicago State University, this press conference, the activities in Michigan, in all honesty I think it is a nonpolitical trip.

Q. And you will continue to conduct some political business on trips paid for by the Government?

THE PRESIDENT. I don't think it is political business. If we have an early morning breakfast at roughly 8:00 and spend maybe 25 to 45 minutes, I don't think that can be construed to be political in the overall sense of the other things that we do.

VICE PRESIDENT ROCKEFELLER

[9.] Q. Mr. President, is Vice President Rockefeller going to be on the ticket with you, or is he out of the campaign now?

THE PRESIDENT. Well, the delegates to the Republican National Convention will make that decision, just as they will make a decision as to whether or not I will be the Presidential candidate in 1976. Both Vice President Rockefeller and myself are going to be campaigning for delegates to the Republican National Convention next year, but the final judgment will be made by those delegates.

Q. But he won't be part of your campaign; this will be separate?

THE PRESIDENT. I think Vice President Rockefeller clarified that himself in a comment to the press several days ago when he indicated that he expected me, as a candidate, to try and get a majority of the delegates to the 1976 campaign and he, in effect, would do the same. And he disavowed any differences between me or himself in our efforts in the months ahead.

CONDUCT OF AMERICAN BUSINESSES OVERSEAS

[10.] Q. Mr. President, several major American corporations have recently acknowledged large bribes to Government officials overseas to get business. Northrop Corporation paid \$450,000 for two Saudi Arabian generals in a military sales contract that was negotiated by the Defense Department. The question,

sir, is: Does your Administration tolerate this conduct, particularly in the military sales program, or is it necessary to meet the competition?

THE PRESIDENT. If the payments are legally construed to be bribes, I forcefully condemn such payments. I am not going to discuss the legal ramifications of these payments. Some people have one view and some another, as lawyers often do, but if they are determined to be bribes, I forcefully condemn them.

Q. Sir, under American law, there is no American law to prohibit these practices, and I am just wondering if you see a need for a change in the law, particularly as it relates to defense contracts.

THE PRESIDENT. If there isn't a law that covers a bribe in these circumstances, then I think such legislation should be enacted.

URBAN PROGRAMS

[11.] Q. Mr. President, some of your critics say that your Administration is insensitive to the urban crisis. I know that you met last night for about 20 minutes with Mayor Daley. Did you discuss the urban crisis with him, and what about the criticism?

THE PRESIDENT. First, I don't think there is legitimate criticism that this Administration isn't compassionate. This Administration, on the record, has an achievement of compassion. And let me quickly illustrate.

We have made available for the cities, for individuals, in the budget that I submitted for the current fiscal year, more money to meet the problems of the less fortunate in our society and for the cities that need help and assistance.

We have recommended to the Congress, for example, the extension of general revenue sharing, and instead of limiting the amount of money, we have provided for an annual increase that would go to the cities, providing, of course, the Congress approves it.

We have made some other recommendations which would make it easier for the cities to meet the problem with general revenue sharing.

Now, I also pointed out to Mayor Daley—and it was a very friendly and, I think, very constructive discussion—that the general revenue sharing program plus the multitude of categorical grant programs will be helpful in the solution of the financial problems, the human problems in our cities, and that we have to get together—the mayors, the White House, and the Congress—to make sure that these programs and these dollars are available, and too much tinkering with the existing law in the general revenue sharing might be harmful rather than helpful.

I also was glad to tell Mayor Daley—I think he knew it maybe a few hours

before—but to say that we had sympathy for the transit system here, there was an award made by the Department of Transportation of \$107 million to help and assist at the local level in improving transit operations in this city.

MAYOR RICHARD DALEY OF CHICAGO

[12.] Q. By the way, it was announced prior to yesterday that Mayor Delay would not greet your plane, and then he did meet it. Was there pressure brought from the White House for the mayor of Chicago to come to meet you?

THE PRESIDENT. There was no pressure brought from the White House. I can only say I have seen Mayor Daley on a number of occasions. We have a good personal relationship. I was delighted and pleased that Mrs. Daley and the Mayor met Mrs. Ford and myself, and we were especially pleased that they had the time to come to our suite in the hotel and sit for roughly a half an hour and talk about family matters, business matters. And I think that kind of a relationship is wholesome for the city of Chicago, and it is certainly beneficial to me.

GRAIN SALES TO THE SOVIET UNION

[13.] Q. Mr. President, the United States is apparently prepared to approve negotiations of a multi-ton wheat and grain sale with the Soviet Union. Other countries are facing drought and may ask for sales, too. My questions are: How much can we sell without dipping in too much to our harvest this year, and won't this increase costs of bread and food later this year to our consumers?

THE PRESIDENT. First, we should thank the farmers of this country for their tremendous productivity. We are fortunate in America to be the breadbasket of the world. Our farmers do a tremendous job in the production of food for us and for the world as a whole.

We are anticipating the largest corn crop, the largest wheat crop in the history of the United States, but there are some uncertainties.

We hope that there will be a sale to the Soviet Union. It will be helpful to the American farmer and will be a reward for his productivity. We hope that there will be ample supplies of corn and wheat and feed grains so that we can help other nations around the world through our Food for Peace program.

And if there is this sizable crop in the variety of areas, it will mean that we can expand our Food for Peace program and act in a humanitarian way to the less fortunate.

I have no idea at this point what the amount will be of the sale to the Soviet Union, if it does materialize. But I think the fact that we can make one is a blessing, and I hope we do make one. But I want to assure you, as I do the

American consumer, that we are alert to the danger of too big a sale or too much shipment overseas, because the American consumer has a stake in this problem as well.

So, we have to find a careful line to tread, of selling all we can, but protecting the rights of the American consumer and utilizing the productivity of the American farmer to help our balance of payments, to improve our humanitarian efforts overseas, and to indirectly help us in our relations with other countries.

Q. But a sale of any substantial size would mean some increase in the loaf of bread here, wouldn't it?

THE PRESIDENT. I don't think I am in a position—or anyone else is in a position—to define what a substantial sale is. A big sale with big wheat and feed grain and corn production would have a minimal effect on consumer prices in the United States. I can only assure you and the American people that we are watching all aspects of this problem and we will keep alert to any pitfalls or dangers that might result.

EQUAL RIGHTS FOR WOMEN

[14.] Q. Mr. President, the equal rights amendment has had an extraordinarily difficult time getting passed here in Illinois. At one time, your wife made several calls here. In the next session of the legislature, would you get on the phone and call some local Republicans, asking, urging them to pass the ERA?

THE PRESIDENT. Well, I think Betty does a fine job in this effort. I, of course, voted for the equal rights amendment when I was in the Congress. My record is clear. She is an effective spokesman, and I see no decrease in her enthusiasm for this. So, come next year, I suspect she can speak for both of us.

Q. A followup. What about your own personal effort? And just how important is the issue of sex discrimination going to be in terms of your campaign?

THE PRESIDENT. Well, I have appointed to the executive branch of the Government a number of outstanding women to serve in positions of great responsibility.

We have a member of my Cabinet, Mrs. Carla Hills, who is Secretary of HUD. The head of the National Labor Relations Board [Betty Southard Murphy] is a woman and an outstanding person in that area of great responsibility.

We will continue to recognize women of talent and experience, because they have and will contribute significantly in the executive branch of the Govern-

ment. And obviously, in our campaign you will see a lot of fine, attractive, able, articulate women out there selling the candidacy.

THE OIL INDUSTRY

[15.] Q. Mr. President, the Federal Energy Administration suggested this past Thursday that 12 big oil companies may have inflated oil costs by \$165 million. The FEA also recently accused a big company in Virginia of overcharging the State utility. My question is whether you think Americans can trust the oil companies today, or whether they might logically conclude that companies have been manipulating recent events to drive up their prices and profits.

THE PRESIDENT. I am very pleased that the Federal energy agency has taken the action that you indicate. It proves to me that they are on the job and they are protecting the consumer's interests, and I expect them to continue such efforts. And they will do it under the law, and they will do it with emphasis.

I am not going to pass judgment on the oil companies, whether they are conspiring or not. The Department of Justice, the Federal energy office will make sure that they live up to the law.

Q. Do you think people should trust them, and do you trust that they have done everything possible to create as much domestic production as possible in these times?

THE PRESIDENT. I am convinced that the oil industry in this country is doing everything it possibly can under the law to increase domestic oil production. There is no question about that in my mind. They are limited in some respects by law as to what they can do with the resources they have available. I think we ought to applaud what they have done in the past and urge them to increase their efforts in the future.

But we have to get some changes in the law—and the Congress hasn't done anything here—in order to increase very substantially our domestic oil production.

AMERICAN GOVERNMENT

[16.] Q. Mr. President, there is some talk that the people are losing control of the government to the experts—following up something that he is saying—the oil people are running the oil controls and the utility people are running the utility controls. Who can we yell at? How can we hear the voice of the people?

THE PRESIDENT. I think our system overall, when you compare it with any other system throughout the world, is running very well. We have some prob-

lems. The problems, however, are complicated by legislation or nonlegislation, by the fact that we haven't in the past focused quickly enough on some of the problems that we now have on our doorstep.

But this Government—the executive, the legislative, and the judicial branch—can respond to meet those problems. And the American people do have faith. And I think their faith will be justified as we make headway in our economic problems, energy problems, and the like.

I concede there may be some disappointment, but the American people have the opportunity under our system, fortunately, to make changes—if they are not happy—in a legitimate and proper way.

REGULATORY REFORM

[17.] Q. Well, on the other side of that, perhaps, how are you doing on deregulating, on getting rid of this maze of redtape?

THE PRESIDENT. I will make two points. One, I have met with 24 Members of the Congress, House and Senate, Democrats and Republicans, working to get the various commissions and other regulators to reduce regulation, to give the American people a chance themselves to solve these problems.

Secondly, last week, I met with the Chairmen and the respective members of every one of the regulatory commissions, and we pointed out very specifically that they had an obligation to reduce the burdens they have placed on people and the economy so that our free economy can do more for itself than they can with their regulations.

I think we will make some headway. If we don't, we will change some of the commissions.

CENTRAL INTELLIGENCE AGENCY

[18.] Q. Mr. President, there have been reports that CIA agents have been working clandestinely in the White House and perhaps in some other Government departments or agencies. Is this true?

THE PRESIDENT. Well, as far as I know personally, there are no people presently employed in the White House who have a relationship with the CIA of which I am personally unaware.

Q. Do you know whether the report—I think the reports concerned administrations before yours, the Nixon administration. Do you know whether there were CIA agents working clandestinely in the White House at that time?

THE PRESIDENT. That matter is being analyzed. As you indicated, the allegations concern not my Administration, but the previous administration. I can

assure you that the facts will come out, if I have anything to say about it. But I reaffirm what I said. As far as I know personally, there are no people presently employed in the White House in this Administration who have a relationship with the CIA of which I am unaware.

Q. Excuse me, sir, but who is looking into the allegations that they were there in earlier administrations?

THE PRESIDENT. Well, the press for one. [*Laughter*] And I applaud that.

Secondly, I assume the Congress will make some investigation. And of course, we, in a responsible way, will find out if we can, in a responsible way, of any such connections in the past.

RONALD REAGAN

[19.] Q. Mr. President, within the last week it became known that Governor Reagan was starting a committee, or a committee was being started in his behalf, looking toward the '76 campaign. And Mr. Callaway, your campaign manager, put a good deal of distance between himself and Mr. Rockefeller. He said he would do nothing to insure or promote Mr. Rockefeller's retention on the ticket. I wonder if there is any connection between those two events?

THE PRESIDENT. I don't think there is any connection between the two events. We made our decision to actually and officially announce my own candidacy. And with the appointment of Bo Callaway to be the chairman of my campaign effort, he made some comments concerning how Vice President Rockefeller and I will conduct our efforts in the months ahead—the Vice President seeking his delegates, and I seeking mine.

We, of course, had no liaison with Governor Reagan and his people. They made the judgment on timing, I assume, on their own basis.

Q. Mr. President, what I meant was, is the fear of a Reagan candidacy one of the reasons why you are taking this unusual step of saying that Mr. Rockefeller is on his own to seek delegates?

THE PRESIDENT. No, I don't think there is any connection whatsoever. The tradition has been that a President announces his candidacy for the high office, or other candidates do, and I don't see any relationship at all between what I have done and what Governor Reagan has done, or people have done on his behalf, and what the Vice President's effort is.

CENTRAL INTELLIGENCE AGENCY

[20.] Q. Mr. President, to get back to that CIA thing for just a minute, I wondered in the analysis that you have done so far, have you been able to

determine yet whether Alexander Butterfield,² who was mentioned so prominently in the news stories yesterday, did anything in an undercover way or anything that leads you to believe he was doing something that former President Nixon didn't know about?

THE PRESIDENT. We have no specific information in that regard, and until we get it or it is made available to us, I think it is premature to make any comment.

MR. LEUBSDORF. Thank you, Mr. President.

NOTE: President Ford's seventeenth news conference began at 11:30 a.m. in the Adams Room at the Palmer House, Chicago, Ill.

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Commencement Address at Chicago State University.

July 12, 1975

Thank you very much, Mr. Ladd. Dr. Alexander, my good friend Congressman Ralph Metcalfe, Reverend Martin, distinguished graduates—which I am now proud partner with you—your honored parents and friends, ladies and gentlemen:

I am distinctly honored by the action taken by Dr. Alexander, and I will forever remember the opportunity to be an associate with all of you in the class of July 1975, and I thank you very much.

It is perfectly obvious that I am delighted with your invitation and the opportunity to be here at the commencement exercises of beautiful Chicago University. You know, that is what I admire so much about Dr. Alexander. He not only tells it like it is but also like it better be. [*Laughter*]

Even during this very brief visit with all of you today, I can see that this graduating class has, excluding myself, talent, vision, ambition, and a sense of humor as well.

I asked one of the graduating students here today, "What inspired your school symbol, that symbol you have of a black hand and a white hand clasped together. Does it symbolize the brotherhood of learning?" He said, "No, Mr. President. The clasped hands have an entirely different meaning. After a big rainstorm, that is a black student and a white student helping each other to get from the university center to their classes." [*Laughter*]

² Deputy Assistant to the President 1969–72.

I was so deeply moved by the more than 5,000 signatures on the petition inviting me that no rainstorm could have kept me away. I was impressed not only by the great number of signatures but also by the Chicago State University success story.

CSU serves the urban needs of a great city. Not long ago, CSU came under heavy attack, but you effectively answered the challenge. Today, CSU is graduating a first-rate and hopeful class of 1975. You have overcome. You can today share a justifiable pride; so can the city of Chicago, the State of Illinois, and the entire United States. You have proved the critics wrong.

I know of the sacrifices of your husbands and wives, your parents, your grandparents, yes, even your great grandparents. Some of your guests here today were denied even the opportunity to complete high school, but none can stand taller in American achievement than they do for the inspiring and encouragement that they have given to today's graduates.

To those relatives who never had a chance to attend an institution of higher learning, I say: You have learned the greatest history lesson that the United States of America can teach. You have learned to nourish hope, to sustain belief in a better life for the next generation, to work toward that goal, and now, to experience the proof that the American dream is possible for all.

To the graduates, I say: You have made your loved ones proud; you have made Chicago State University proud. You have made me proud to be President of a nation where graduates like you strive against heavy odds for self-betterment, for equal opportunity, for constructive change, and for excellence; where graduates build on abilities rather than cop out on disabilities; where graduates believe in themselves and in the contribution they can make to their community; and where graduates provide a living demonstration of how we are going to turn around the problems of our great cities.

Chicago State University is a showcase of what can be done by people with determination. You have shown how white and black hands can unite to build a multiracial institution. You have shown academic achievement. And you have responded to the real needs of the community that you serve.

Most of today's graduates had to work full or part time on outside jobs, and if I might, I would like to share a personal experience. As a freshman at the University of Michigan, I worked as a busboy in the nurses' cafeteria at the university hospital. I also waited on tables in the interns' dining room. I will say, parenthetically, I liked the first job better. [*Laughter*]

But let me add very quickly that even during the Great Depression it was much easier for me. I was not the victim of racial prejudice nor of a deprived

environment. So, I cannot honestly say that my experiences were the same as that of those who are struggling today in Chicago and elsewhere in an effort to make it. But I do say that my own personal experience leads me to care about and to identify with every upward-bound individual in this great Nation.

I defy anyone to put down the greatest fraternity of them all—the college graduates who learned something about life by dirtying their hands.

I am deeply concerned about the unemployment of this recession and those now employed beneath the level of their capacities. A nation that deprives anyone of equal opportunity is itself deprived. A nation that cannot create the conditions for human dignity for all is itself lacking a measure of humanity and dignity.

The dignity of the individual is based ultimately on a sense of pride. It does not come from government programs that take over the individual's life and reduce the person to a case file and a claim number. Real aid to the individual is aid that helps the individual to help himself or herself. Federal assistance that helps people achieve higher education and higher qualification is fully justified, because that is the aim and that is the objective.

I am told that one of your graduates here today receiving a degree in education is a 45-year-old woman who worked as a teacher's aide. She aspired to teach. With nine children—one severely handicapped—it was obviously not easy. But her perseverance is typical of this entire graduating class. So is the spirit of your Vietnam veterans and others who caught up to win degrees today.

The Federal Government can provide financial aid to education, but it cannot give individuals the determination that you have displayed in earning your degrees.

As President, I am deeply concerned about the attitude of government toward individuals. But I am also concerned about the attitude of individuals toward the national community and toward themselves in terms of personal self-respect.

I cannot and I do not say that we are all in the same boat. Some people, unfortunately, are outside the boat, so to speak, struggling in stormy waters. We, the fortunate, are in the boat and can throw out—for illustrative purposes, I say—a life preserver. We can and we will help. But those in the water must not just hang on indefinitely to their life preservers, but must swim toward rescue.

Real assistance is to help people to help themselves. We can't do everything for everybody, but there is room for all who try to make it. The only soul really lost is the one who gives up without trying.

Many of the problems, for example, of cities remain unsolved. And I should

say with great emphasis, I am dedicated to turning around the trend of deterioration and despair, of crime and unemployment, of pollution and bad housing, and of drugs and premature death. But I am also dedicated to the conviction that local problems must, in the final analysis, be solved by local people. The Federal Government has helped and will continue to help.

Frankly, that is why I came to Chicago today to meet you. We in Washington can learn a great deal from you. Many of you have overcome a deprived environment and economic limitations. You succeeded because you are rich in human capacities and have the love of families who care. This auditorium is filled with individual success stories. I don't see any reason whatsoever to worry about the class of 1975 at CSU.

But I am concerned about the future of some other young Americans who are today neither in school nor working at jobs. Tragically, they are on the streets. Some have lost hope and motivation to the extent that they no longer are even looking for work or education. Some, tragically, have police records.

Society has begun to think of them as records and public enemies rather than as human beings in trouble. Some are sick with addiction to drugs because they are so empty inside, so devoid of hope that they fill themselves with artificial illusions of contentment.

So, I challenge today's graduates to use your new skills to help the people who are not in this hall today. You are uniquely equipped. I challenge the graduates in education to teach young people how to read and how to write. I challenge the graduates in the liberal arts to stimulate the mind and to inspire the spirit. I challenge the graduates in corrections and law enforcement to counsel and to motivate individuals from the path or paths of destruction of themselves and others. I challenge the business and administration graduates to conceive of new jobs that are more interesting, challenging, and rewarding. I challenge all graduates to set an example that gives hope to the millions who have not yet made it.

You have demonstrated by your own achievements and accomplishments that your determination can make a significant difference. You might have been part of the problem, but now you are part of the pride, and I congratulate you.

CSU has shown that a new tradition can emerge from problem areas. Your president, Dr. Alexander, made CSU a school that demands performance of its students. He made CSU a school where you shape up or ship out.

I agree with the CSU philosophy. You kill pride if students are passed merely because they come from disadvantaged backgrounds. That is no favor. It is a disservice. You sacrifice for an education, and consequently, you are entitled to

a fair chance to learn. CSU is not a school where the student can coast blithely through for 4 years and emerge with a degree but without competence.

The pursuit of excellence makes more valid the diplomas you are receiving today. It is a service to the university, to the students, and to the community. You welcomed the challenge, and you made the grade.

A united America requires opportunities for all citizens and the cooperation of all races and all groups in our society. That is why I draw such encouragement from the achievements of this graduating class, and I am delighted to be a part of it even though I am not sure I earned it. You are the individuals who will provide new energy, new ideas, and new leadership to help resolve the plight of the cities.

If I can go once more to the days when I was going through high school and college, there was a poem by a Victorian Englishman that was a favorite of commencement orators at that time. Frankly, I heard it recited so many times that I think I still may know it by heart.

The last part went something like this, and I quote:

It matters not how strait the gate,
How charged with punishments the scroll;
I am the master of my fate;
I am the captain of my soul.

Those sentiments served my generation, but maybe they sound a little old-fashioned today. I don't know whether that is true or untrue, but I do know this: America is a far better place today than it was when I graduated from college 40 years ago. Because of you, and because of your determination, I do believe in a better tomorrow for all Americans.

Thank you.

NOTE: The President spoke at 1:50 p.m. in the Arie Crown Theatre at McCormick Place. In his opening remarks, he referred to Jeffrey R. Ladd, chairman of the board of governors of Chicago State University,

Rev. Herbert Martin, and Dr. Benjamin H. Alexander, president of the university, who conferred an honorary doctor of laws degree on the President.

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Remarks at the Walter Hagen Invitational Golf Tournament in Traverse City, Michigan. *July 12, 1975*

LET ME thank all of you for the opportunity of coming up and playing in the Walter Hagen golf tournament and to have the opportunity of being in Traverse City.

It was a wonderful day yesterday, and it is wonderful to be back this evening. I just wish that my score had been better. But it is too high. [*Laughter*]

But I had a lot of fun with good people, and I am delighted to be here with [Senator] Bob Griffin today and Bob and Governor Milliken yesterday and all the fine people who are here from the region as well as from elsewhere.

It is very refreshing to come up to God's country. It is a wonderful place, not only in the summer like now, but as many of you know, we used to ski over at Boyne Mountain in the northern area up here.

It is just a charming, delightful place with superb people, and you have been nice to Betty and me, and we will try to come back if you will have us.

Thank you very much.

NOTE: The President spoke at 7:15 p.m. at the Traverse City Golf and Country Club. Following his

remarks, the President attended an informal banquet for participants in the tournament.

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Remarks at the Interlochen Arts Academy, Interlochen, Michigan. July 12, 1975

President Jacobi, and all of the wonder people connected with Interlochen:

Let me thank all of you on behalf of Betty and myself. I don't know who made the selections on the program, but everything on the list was on my list of favorites, and I thank you.

May I congratulate again, on Betty's and my behalf, the superb young people in the band, the orchestra, the chorus. It makes all of us extremely proud to see young people with such enthusiasm and talent and dedication.

As I sat back there, I couldn't help but be impressed to see the words that are on the back of the stage, "Dedicated to the promotion of world friendship through the universal language of the arts."

That is a hallmark; that is something all of us should strive for and seek. And all of you who participate, whether it is in the summer or year round, make a giant contribution to a better world through the spoken word of the arts.

Thank you very, very much.

NOTE: The President spoke at 9:56 p.m. following a concert in the Kresge Auditorium at the Interlochen

Arts Academy. Roger Jacobi was president of the academy.

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**Remarks at the Sixth Circuit Judicial Conference in
Mackinac Island, Michigan. July 13, 1975**

Judge Engel, Governor Milliken, Justice Stewart, Senator Bob Griffin, Judge Phillips, distinguished Members of the Congress, my former colleagues in the House, Al Cederberg, Phil Ruppe, and Guy Vander Jagt, Bishop Dimmick, and an old and very dear friend of mine, Judge McAllister and his wonderful wife Dorothy, ladies and gentlemen:

Before I begin, I would like to ask a question of this very distinguished judicial conference.

Last Thursday, one of the tires on Air Force One blew out as we were landing in Cleveland, and that night a newspaper reported the incident as follows: "Air Force One landed in Cleveland today with a flat tire, and President Ford stepped out." And now for the question: Can I sue? [*Laughter*]

It is a privilege to meet this morning with such a distinguished group of jurists and lawyers from Kentucky, Michigan, Ohio, and Tennessee, and obviously I am honored to share the platform with my former law school classmate, Justice Potter Stewart. It's wonderful to see you, Potter, and we look back, I am sure, from time to time, at those fine days in the Yale Law School. And I am extremely pleased to see so many families here today and families of people that I have known so long myself.

I can't help but make an observation and comment about Judge Tom McAllister. I was delighted that Tom was finally accorded the recognition that he should get. The University of Michigan Law School finally gave him his degree—[*laughter*—]after some 55 years of reticence. And secondly, some of you may or may not know, but just a few years ago Tom McAllister was permitted to receive the Legion of Honor from the French Government that he earned in World War I. And, Tom, it's nice to see you. I can't see where you are sitting.

I think it was in 1936 that Tom ran for the House of Representatives from the district that I had the honor to represent, and he came so close—I think less than 200 or 300 votes—if he had ever won I probably wouldn't be here. [*Laughter*]

And then I am especially pleased to have been introduced by Judge Albert Engel. His father was a very distinguished Member of the House of Represent-

atives when I first went to the Congress in 1949, and he decided after one—my first term—he decided to seek the governorship of Michigan.

And he had had a long and very distinguished record on the Committee on Appropriations. And when he left to seek the governorship, I was fortunate enough to get on the Committee on Appropriations at a relatively early stage in my Congressional career.

I was sorry that Albert didn't get to be Governor, but I was thankful that I was given the opportunity to succeed him on the Committee on Appropriations. And I can only say to you, Albert, your father was one of the outstanding Members of the House of Representatives during my career in the Congress.

Now, despite the importance of the judiciary, I think we on the outside do recognize that many of the problems that you face and that you tackle go unnoticed and unreported. Too often, we pay attention only when Federal court decisions are controversial or the problems of court management become overwhelming.

You know better than even those of us who look at the statistics, that the case-loads in Federal courts have expanded tremendously in the past decade. Those of you on the Federal bench know personally about the 25-percent increase in criminal cases and the 55-percent increase in civil cases between 1964 and 1974.

And I think, with mixed blessings, we recognize that the Sixth Circuit is one of the busiest and most productive and has one of the finest records, according to the statisticians in the country. And I compliment you and congratulate all of you, those on the circuit court as well as those in the district courts for that very enviable record.

You have this impressive record of accomplishment in keeping up with the explosive development of cases in or under Federal jurisdiction, and by all of the experts that I have read, you have handled these tremendous responsibilities extremely well.

But I think it is self-evident there is a very serious question, how long the Federal judiciary will be able to function smoothly without additional manpower. And I can say with emphasis that this Administration strongly supports the recommendations for additional district and circuit court judgeships.

Your judicial conferences have said on more than one occasion, the need is there, and legislation has been introduced in both the House and the Senate to provide, I think it is, 51 or 53 additional Federal judges.

I can assure you personally that I will do all I can to convince the Congress that action is required. I think all of us in this room recognize that you may

have to make some division between one group and another in order to get it approved, but I think the overriding interest is in the need for judges.

So, as far as we are concerned, we will work out with those that feel there should be some equal division—and I understand it—so that we can meet the needs of our Federal court system. I think we also have to recognize there is a need for an increase in Federal judicial salaries.

Let me assure you that in the most discreet way, the Chief Justice, without violating any constitutional limitations, has talked to me on several occasions. [*Laughter*] He has talked to a number of Members of the Congress. And at his specific request, I got a group of the Democratic and Republican leaders to the White House, along with people from the executive branch, to again mention with emphasis the problems in the field of compensation for Federal judges. So, you have a good advocate. We just have to find some way to get some action.

Let me say this: In my crime message, which was submitted to the Congress several weeks ago, I strongly supported, as I think it is absolutely essential, legislation to expand the jurisdiction of Federal magistrates. You know better than I that the expansion of that responsibility can be very helpful in alleviating some of the caseload problems in the Federal judicial system.

In addition, in this crime message, I did propose action on the scope and the process of Federal jurisdiction, including the range of diversity, jurisdiction, the advisability of three-judge courts, possible avenues of Federal-State cooperation, and related proposals—all of which could be materially beneficial in reducing the caseload.

Accordingly, in this process, I have requested a comprehensive review of Administration efforts on judicial improvements and an examination of the full spectrum of problems facing the judiciary.

Because the State courts are being equally, if not greater, taxed by special problems, I have recommended an extension of Law Enforcement Assistance Administration programs calling attention specifically to the financial and the technical assistance requirements of our State courts.

The Administration is also aware of the need to consider the judicial impact of any new legislation, and I can assure you that we will examine the potential for litigation arising from any of our proposals. It has been my observation that too often Federal laws have been passed without adequate consideration of their impact or the effect on our Federal court system.

From its founding, the Nation has expected its courts to perform vitally important functions, and in recent years the Federal bench has wrestled with many of these controversial issues in our society.

In fact, we are turning too often to the Federal courts for solutions to conflicts that should have been tackled by other agencies of the Federal Government or even the private sector.

We cannot expect the judiciary to resolve and to balance all of our opposing views in our society. Neither can we rely on the courts as the sole protector of our individual liberties. I think other agencies or partners in the Federal Government have an equal responsibility. We can't, in all honesty, put the full burden and total load on the judicial system.

The judiciary is the Nation's standing army in defense of individual freedom, but all segments of our society—government, business, labor, and education—must work to see that the individual is not stifled.

In our first century, the Nation established a continent-wide system, a very unique system of government. That first century of our country's history provided our people with the opportunity to put together a government that worked to protect the rights of individuals and created stability for this new and growing Nation.

In our second century, we developed a very strong economic system. We moved from the east coast to the West, and from the North to the South, and we developed this industrial complex under a free enterprise system that permitted our country to move ahead and become the strongest industrial nation in the history of the world.

So, in the first two centuries, we developed that wonderful form of government that we have. And alongside with it in our second century, we put together this industrial might that has given us so much. We developed stability in freedom in the first hundred years and economic strength in the second.

Now in the third, the challenge, as I see it, is to advance individual independence. If we don't do something in this third century to protect the individual against mass education, mass government, mass labor, where the rights of the individual are lost because of the totality of the effort—the individual has to be given his unique opportunity to participate and not get lost in the crowd.

Daniel Boone moved west to find some "elbow room." Elbow room for the individual is what our next century as a nation must be about. We must give ourselves as individuals ample room to grow, to achieve, and to be different, if we want to be, and to define the basic quality of our personal existence.

You know, out of the slogans and the myths and the memories of 200 years of American history, the first words still ring very, very true. "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed

by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness.”

Those words are not just for political orations or even court decisions. They are the watchwords of what we must be about as a people in the coming years. Freedom for a nation begins and ends with the freedom of the individual. With that commitment, our future will be as glorious as our past.

Thank you very much.

NOTE: The President spoke at 9:31 a.m. in the dining room at the Grand Hotel. In his opening remarks, he referred to Judge Albert Engel, Chief Judge Harry Phillips, and Senior Judge Thomas F. McAllister,

Sixth Circuit, United States Court of Appeals; and Most Rev. William A. Dimmick, Bishop of Northern Michigan.

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Remarks on Departure From Kincheloe Air Force Base, Michigan. *July 13, 1975*

WELL, it is a great weekend in Michigan, of course—first, the Cherry Festival in Traverse City,¹ and then coming up to Mackinac Island—with a tremendous opportunity to see Interlochen and to hear the wonderful music by the talented young people, and the inspirational efforts by all of those who follow in the best tradition of Dr. Maddy; but then to come to the Upper Peninsula and have an opportunity to see Kincheloe, which is a very important and vital installation in our overall national security setup.

I am delighted to praise the people in the military who do such a superb job, and I am most grateful for their warm welcome. They do something that most Americans need to appreciate. They are on alert. They are in the front-line of maintaining the peace, and we should be most grateful for the long hours and the dedication that they do for all of us.

And I would simply say to the people of Kincheloe and K. I. Sawyer and Wurtsmith Air Force Bases that we are just proud of them and thankful for the contribution that they make. It is a great place to come, and we will try to come back as often as we can.

NOTE: The President spoke at 7:08 p.m.

¹ The President and Mrs. Ford participated in the Cherry Royale Parade of the National Cherry Festival in Traverse City on the afternoon of July 11, 1975.

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Remarks Announcing Proposed Compromise With the Congress on Decontrol of Domestic Oil Prices. *July 14, 1975*

I HAVE a short statement I would like to read.

To reduce our growing dependence on foreign oil, I will send to the Congress a compromise plan to phase out remaining Government price controls on domestic oil by January 1978.¹

During this period of decontrol, a price ceiling will be placed on all domestically produced oil to ensure that American crude oil prices cannot be dictated by foreign oil producers.

By removing Government controls, production of oil here at home can be stimulated and energy conserved. Decontrol and the import fees I imposed earlier will reduce our dangerous reliance on foreign oil by almost 900,000 barrels a day in just over 2 years.

There is no cost-free way to reduce our dependence on increasingly expensive foreign oil. Gradual decontrol will result in a price increase on all petroleum products—less than 1½ cents per gallon by the end of this year and 7 cents by 1978. This is a small price to pay for our national independence from the costly whims of foreign suppliers.

If the Congress acts on this compromise, on my proposed energy taxes, including the tax on excessive profits of oil companies, and on my proposed refunds to the American consumer to make up for higher energy costs, then the burden of decontrol will be shared fairly, our economic recovery will continue, and we will be able to protect American jobs.

The problem is: 60 percent of all domestic production is still price-controlled at about \$5.25 per barrel. This price discourages the use of new and more expensive production techniques. It encourages wasteful use of the limited domestic resource.

But the powers that I possess under the current law to phase out controls are limited. Either the Senate or the House of Representatives can prevent gradual decontrol from going into effect.

This morning, I held a meeting on this subject with the Democratic and Republican leaders of the House and the Senate. It was recognized that this is a very complicated matter. There seems now to be an agreement that the Nation

¹On July 16, 1975, Federal Energy Administrator Frank G. Zarb transmitted to the Congress the President's proposed amendment to Federal Energy Administration regulations providing for the gradual removal of price controls from domestic crude oil. The text of the proposed amendment is printed in the Federal Register of July 16, 1975 (40 FR 30030).

must have both a short-range and long-range solution to energy problems. And as anyone knows who has seriously studied the matter and who is honest with himself, there is no option or alternative available that is free.

I would hope the Congress would give this important matter the very serious consideration that it deserves and not take hasty action.

I will continue to urge the Congress to accept this reasonable compromise. If it does not, one alternative to ensure continued progress toward energy independence would be to veto an extension of the present oil price control law, which will expire in August.

But the plan I prefer will gradually lift price restrictions on controlled oil and place a ceiling on all domestic crude oil prices.

We still have the choice of acting in our own best energy interests instead of reacting to decisions made by foreign countries. We must start thinking of the energy crisis in terms of American jobs, homes, food, and financial security.

Our economic well-being and our national security depend upon American control of the American economy. We cannot jeopardize our country's future by ducking the tough energy choices today. We must pay whatever the price is that is necessary to give us command of our own economic destiny.

Thank you very much.

REPORTER. Mr. President, did you run into any opposition at the meeting this morning?

THE PRESIDENT. We had a minimum of opposition. We had a greater understanding of the complexity of this problem. It was a very beneficial meeting in that there was this understanding and recognition that the energy problem had to be faced very squarely if we were to solve the problem of American independence and to get our own house in order so that we could protect ourselves from the vulnerability of foreign oil producers.

Thank you very much.

NOTE: The President spoke at 11:32 a.m. to reporters assembled in the Briefing Room at the White House.

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**Remarks at the Swearing In of Philip C. Jackson, Jr.,
as a Member of the Board of Governors of the Federal
Reserve System. July 14, 1975**

Thank you very, very much, Arthur. Governor-designate and Mrs. Jackson, two of my old friends from the House of Representatives, John Buchanan and Tom Bevill, other distinguished members of the Administration, members of the staff of the Federal Reserve Board, ladies and gentlemen:

I am not going to try and compete with Arthur's humor. I can always tell when he has got some sly remark, when he turns and looks at you with that sort of professorial look that you know not what is coming next.

But it is a great privilege and pleasure for me to be here and participate in the swearing in of one of the newest members of the Federal Reserve Board. I think it is a very unique part of the history of the Board that for the first time in a quarter of a century, we are having as a member of the Board a person who has spent all or most of his professional business life in the mortgage banking field.

All of you who work here in this great establishment know very, very well the great importance between the homebuilding industry and the activities of this organization. And I am confident that Mr. Jackson will make a significant contribution to the deliberations of the Board's decisionmaking process.

I think it is highly important for all of us to emphasize now—as it has been in the past and as, I trust, it will be in the future—that the Federal Reserve Board is an independent institution, a very vital, integral part of our total governmental setup, but one that occupies a very unique part in the many workings of the Federal Government.

The Federal Reserve Board has to be independent of the President, the Congress.

The Federal Reserve Board, as I believe it should perform its role, is to protect the interests of 214 million people, to take the broadest possible look at the many intricate problems that we face in our economy not only at home but as well abroad.

On the other hand, I think there has to be communication between the Chairman of the Board and the Congress and the White House, but with that high degree of integrity representing the role and responsibility of the Federal Reserve Board.

And I can assure Dr. Burns and his associates and all that work in this great organization that their independence will be respected, because to do otherwise, I think, would open us to honest and proper criticism that their role is being undercut in the protection of our economy and all of our people.

I am confident that Philip Jackson will be a tremendous asset to this most important organization, and I am delighted to have an opportunity of coming here and coming to the—second floor, is it, Arthur?—without the use of an elevator. [*Laughter*] It shows that at my advanced age you can still walk up stairs.

But let me say it is wonderful to be here, and I thank you, Arthur, for the invitation and the chance to participate in this very fine occasion. And now I understand, Arthur, you are to perform the function of actually swearing in the Governor-designate, and I am delighted to be a spectator on this occasion.

NOTE: The President spoke at 1:57 p.m. in the Federal Reserve Board Room at the headquarters of the Federal Reserve System. Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve

System, administered the oath of office.

Mr. Jackson's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 11, p. 749).

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Letter to President Aristides Pereira on United States Recognition of the Republic of Cape Verde. July 14, 1975

[Dated July 5, 1975. Released July 14, 1975]

Dear Mr. President:

The American people join me in extending congratulations and best wishes to you and the people of the Republic of Cape Verde on the occasion of your independence. In this regard, I am pleased to inform you that the United States Government extends recognition to Cape Verde.

I am aware of the serious drought which has affected the islands for the past eight years. I know that this situation must be a matter of great concern as your government assumes the responsibilities for the well-being of your people. I am hopeful that the steps already taken by the United States to provide humanitarian aid and technical assistance to Cape Verde will help alleviate the current hardship and provide a base for economic development and future prosperity.

As the historic ties of friendship and cooperation between the peoples of the United States and Cape Verde grow and strengthen, I look forward to the

opportunity for our two nations to work together in the cause of peace, freedom and the welfare of mankind.

Sincerely,

GERALD R. FORD

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**Message to the Crews of the Apollo-Soyuz Test Project
Prior to the Launching of Their Spacecraft. July 15, 1975**

To the Soyuz and Apollo Crews:

In a few short hours, you will be opening a new era in the exploration of space. Although others have gone before you, you will be blazing a new trail of international space cooperation. Never before have representatives of two countries lived and worked together in space. It is an historic occasion. I know you are proud to be playing such an important part in it.

As you make your final preparations for launching, I cannot help but think how far we have gone in space in such a short period of time. Less than two decades ago, Yuriy Gagarin and then John Glenn orbited the Earth, realizing the dreams of Taiolkovsky, Goddard and others who believed firmly that man could fly in space. Six years ago next Sunday, Apollo 11 brought the first men to the Moon. This mission was followed by that of the Soviet automatic vehicle Lunokhod. Both brought back samples of the Moon's surface, as a result of which our knowledge of Earth's closest neighbor has expanded considerably.

Your flight represents another stage in man's efforts to further his understanding of his environment. It has already demonstrated something else—that the United States and the Soviet Union can cooperate in such an important endeavor. Since the Apollo-Soyuz project was agreed to 3 years ago, crews, scientists and specialists of both countries have worked diligently and productively, and in a spirit of cooperation, to bring us to where we are today. I am heartened by the example of dedication and cooperation you have displayed. I am confident your efforts and example will lead to further cooperation between our two countries.

The peoples of the world will be following your flight and epic joint mission with interest and enthusiasm. On behalf of the American people, I commend you for your courage and vision and wish you Godspeed and good luck.

GERALD R. FORD

406

Remarks on the Launch of the Soyuz Spacecraft.**July 15, 1975**

Ambassador Dobrynin, Secretary Ingersoll, Administrator Fletcher, ladies and gentlemen:

Obviously, on this occasion it is a very great pleasure to be here this morning and to participate in a small way on this historic occasion. The launch of the Soviet Union Soyuz spacecraft, which we are about to witness—and I hope my remarks conclude before it—marks the beginning of a very epic venture into space.

As has been said, shortly after 3 o'clock this afternoon, America's Apollo spacecraft will be launched from the Kennedy Space Center at Cape Canaveral. And these two voyagers in space will rendezvous historically, 2 days from now and thereafter circle the globe together.

It is my judgment that this joint space mission is a truly historic occasion. In my prelaunch message to the American astronauts and to the Soviet cosmonauts, I told them that they are opening a new era in the exploration of space and the blazing of a brand new trail of international space cooperation. Never before have representatives of two countries lived and worked together in space. They have a wonderful and unique opportunity as a result.

This space mission also demonstrates that the United States and the Soviet Union are prepared to cooperate in a common endeavor of great significance, importance, and complexity.

Since the Apollo-Soyuz project was agreed to 3 years ago, the crews, the scientists, the specialists, the technicians on both sides, of both countries have worked diligently and productively in a spirit of cooperation. And they bring us to where we are today. And they have done it with not only skill but great success.

I am particularly heartened by the example of dedication and cooperation displayed by the cosmonauts and by our own astronauts—Stafford, Brand, and Slayton. They obviously represent the best of capabilities on both sides.

Along with the people throughout the world, I will be following the flight of these partners in exploration on behalf of the American people, and I wish both crews a most successful mission.

Thank you very kindly.

[The President spoke at 8:11 a.m. in the West Auditorium at the Department of State prior to viewing the televised launching of the Soyuz spacecraft with A. F. Dobrynin,

Soviet Ambassador to the United States, Robert S. Ingersoll, Deputy Secretary of State, and James C. Fletcher, Administrator of the National Aeronautics and Space Administration.

Following the launching, the President and Ambassador Dobrynin were approached by reporters for their reactions to the event. The President responded as follows:]

It was a wonderful display, and we certainly congratulate the Soviet Union and their cosmonauts on the successful inauguration of this very historic flight. And we wish them as well as our own astronauts the very best on this wonderful expression of cooperation, not only technically but otherwise between our two countries.

NOTE: Later in the day, the President viewed the televised launching of the Apollo spacecraft in the Oval Office at the White House.

407

Statement on the Death of Former Representative Lawrence G. Williams of Pennsylvania. July 15, 1975

I WAS saddened to learn of the death of former Congressman Lawrence Williams of Pennsylvania. It was my pleasure to serve in Congress with Larry for 7 years. During that time, he distinguished himself as a dedicated, hard-working public servant. Mrs. Ford joins me in expressing sympathy to Mrs. Williams and to Kathy and James at this sad time.

NOTE: Representative Williams served in the House of Representatives from 1967 to 1974.

408

Message to the Senate Transmitting the Partial Revision of the Radio Regulations (Geneva 1959). July 16, 1975

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Partial Revision of the Radio Regulations (Geneva 1959), with a Final Protocol containing one U.S. reservation, signed on behalf of the United States at Geneva on June 8, 1974.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Partial Revision.

The primary purpose of the Revision is to update the Radio Regulations to

take account of the technological state of the art and to provide for increasing operational requirements.

At the time of signature, the United States Delegation stated its reservation to one of the Revision's frequency allocation plans. It was felt that the plan and its associated procedures would be incompatible with the official and public correspondence needs of the United States. The U.S. will observe the plan to the extent practicable, but will not be bound by that provision of the Revision.

The Partial Revision will enter into force on January 1, 1976, for governments which, by that date, have notified the Secretary General of the International Telecommunications Union of their approval thereof. It is desirable that the United States be a party to the Partial Revision from the outset, and it is my hope that the Senate will take early and favorable action on the Revision and give its advice and consent to ratification.

GERALD R. FORD

The White House,
July 16, 1975.

NOTE: The revision and accompanying papers are printed in Senate Executive G (94th Cong., 1st sess.).

409

Remarks on Greeting the National Farm Family of the Year. *July 17, 1975*

LET ME apologize for being a little late, but I was meeting with some of Senator Packwood's and Senator Hatfield's colleagues in the Senate, and it took a little longer than we anticipated.

I do want to congratulate the Ottomans for being the Farm Family of the Year. I noticed that potatoes, barley, and hay are Oregon's main products.

It is real nice to have you here and to participate with the two Senators and my good friend, Al Ullman, who is your Congressman.

Farm Family of the Year—I think that is a great, great achievement. Six percent of our population is on the farm, and so you are the top of 6 percent of our population. You can't do better than that.

But I know first, family life and agriculture, both of them contribute very significantly to a better America.

So, I just want to thank you for achieving it and congratulate you for the fine honor that has been accorded to you.

NOTE: The President spoke at 1:15 p.m. in the Rose Garden at the White House. Mr. and Mrs. James R. Ottoman and their three children were selected in

the 1975 Farm Family of the Year competition sponsored by the Farmers Home Administration.

410

Remarks at the Annual Meeting of the SER-Jobs for Progress Organization in Arlington, Virginia. July 17, 1975

THANK YOU very, very much for the opportunity of coming over and meeting with you for a very few minutes and to make some observations and comments.

I understand that you are all active participants either on the board of directors of SER [Service Employment Redevelopment] or people who are working with SER in an effort to improve the job opportunities and the job responsibilities of the members of the Hispanic communities, some 16 million, as I understand.

I should say to all of you that over the last several months, I had hoped that I might meet with other organizations that have a very close and deep connection with the members of the Hispanic community in the United States, but for one reason or another it wasn't feasible.

We do hope that in the months ahead we can do something affirmatively and effectively in the way of job opportunities and job responsibilities for those that you represent. This is a very meaningful requirement, in my judgment, because historically, I think it is recognized that those opportunities and responsibilities have not been available.

The situation we find ourselves in today, unfortunately, is the economic period of recession, although the record is quite clear at the present time that we have what some people allege to be a bottoming out, and we are now starting upward. And what is the significance of that development? For a period of 5 or 6 months, we had nothing but bad news. At the present time, we are seeing much, much more good news than bad news. I am confident that in the third and fourth quarters of this year, and even beginning now, the situation is going to be considerably brighter.

What that means is that for the last 5 or 6 months, while we were in a slide toward the bottom of a recession, we not only lost jobs for everybody, but for

those in the minority areas of one kind or another suffered much more seriously than others.

The way that I think we can meet the challenge is in two directions: One, to make positive that our economy does recover, and I am completely and totally confident that it is going to happen. On the other hand, as we move out of the economic distress we have been in, we have to make honest and conscientious efforts to make certain that these job opportunities and these job responsibilities are available on a fair and equitable basis—in some instances, kind of make up for the discrimination that existed in the past and to ensure that there is security and opportunity in the future.

Now, if I might take just a minute or two to talk about our economy, because it does involve a reduction in unemployment but, more importantly, an increase in job opportunity. At the present time, we have roughly 84 million people gainfully employed in our society. We had, as I indicated a moment ago, a substantial job loss as well as increased unemployment. The job loss for a period of 4 or 5 months was roughly 400,000 per month. In the last 2 months, we have had an upturn, and we have achieved a job increase of about 450,000. I think this trend is going to continue, but in the meantime, we have been able to make some headway in other areas.

To refresh your memory just a bit, a year ago at this time we were suffering an inflation rate of approximately 12 to 14 percent, unbelievably high, caused by a number of circumstances. By doing the right thing, to the extent that man can control the economy, we have reduced that rate of inflation 50 percent. It is now the annual rate of about 6 percent. That is still too high, but it is vitally important to all of the people who are employed and, just as important, if not more so, to the people who are unemployed.

What I am saying is that we have to work on a two-track program, one to improve our economy, whip inflation, and at the same time provide greater employment. Now, I am confident that the American people are in a position mentally and otherwise to meet this challenge, and I can assure you that your Government is going to do everything it can to meet the challenge. And I think we have made substantial headway.

But I reiterate that just improving the economy is not enough. We do have to make certain those that you represent, whether it is in government or whether it is in private employment, have an opportunity for a job and an opportunity for increased responsibility in the job.

I am always an optimist. I condition it with effort. People such as yourselves

who are participating can make a meaningful contribution to helping others and those that you represent.

I see here some people that I have met before in various organization meetings where I have met with a group such as this, and I am delighted to have the chance to renew those acquaintances. I must say that in the White House we have in Fernando DeBaca a person that is working with me and trying to keep the communication lines going with all of you and with others. We have Alex Armendaris here and we have others in the Administration.

I can add one final footnote. We are making a maximum effort in the various boards and commissions and other job opportunities—an effort to see to it that the Hispanic community is fairly and properly represented, and this is essential.

Q. Mr. President, one of the critical issues today that our community is very concerned about is the extension and expansion of the Voting Rights Act that for the first time will include the Spanish-speaking people in this country. Are you supporting the expansion of that act that would include and guarantee the same franchise to the Spanish-speaking people of the country?

THE PRESIDENT. I believe in protecting the voting rights of every American citizen, including any minority group, which in this case, of course, includes the Spanish-speaking.

Now, there is a serious problem that has developed in the United States Senate, as you well know. The act expires August 4. I had a meeting yesterday, and again I talked with some Members of Congress this morning. I am very concerned that the Senate, in the compressed time that is available, might not have an opportunity or won't conclude action on the extension of the legislation.

I think that legislation—its extension is of maximum importance. You really have one of four choices: the simple extension of the existing law; the approval, in the second option, of the House version; the third is to broaden the act so it takes in everybody in all 50 States; and fourth, which is the option I would oppose most, is no action. But the last is a very serious possibility.

I can assure you that I am working with Members of the Senate to try and avoid the last option, because if that takes place, you in effect have to start all over again. And with a law that has been on the statute book 10 years now, it is better to extend it, to improve it, than to start really from scratch again.

Q. Do you accept the expansion to Spanish-speaking?

THE PRESIDENT. I would accept it, of course I would. But I think it might well be in this period of time another option that might be preferable to make it effective in all 50 States, rather than in the 8 Southern States plus the 7 additional States that have been added in part by the House version. It might be

better, quicker, and more certain to make it nationwide, rather than the 15 States that are now included in the House version.

Thank you all.

NOTE: The President spoke at 2:14 p.m. in the Arlington Room at the Pentagon City Quality Inn. The SER-Jobs for Progress organization was sponsored by the American G.I. Forum and the League of United Latin American Citizens.

In his remarks, the President referred to Fernando E. C. DeBaca, Special Assistant to the President for Hispanic Affairs, and Alex M. Armendaris, Director of the Office of Minority Business Enterprise, Department of Commerce.

411

Remarks in Arlington to Members of the National League of Families of American Prisoners and Missing in Southeast Asia.
July 17, 1975

Congressman Gilman and all of you who I know have such a deep concern and personal interest in a matter which concerns me as well as your fellow Americans:

I welcome you to Washington, and I am honored and pleased to have the opportunity of meeting with you just for a few minutes.

I am meeting with a group from your organization—I think it is next Tuesday afternoon—and I look forward at that time to talking in depth with your representatives as to what we can do despite the overwhelming odds against us.

I can assure you that your Government will maximize its efforts despite the serious problems that we have. And I know there is a proposal, or maybe more than one, in the Congress to set up a commission or a committee.

We have been working with people from your organization. I have nothing but the greatest admiration and affection for you, and we in the White House will do everything we possibly can to get what information to make sure and certain that in good conscience you can believe that your Government has done for you what is right, and we will make sure of that.

I am delighted to see you, and I was very pleased to have a chance to stop in when I learned that all of you were here.

Good luck. God bless you.

NOTE: The President spoke at 2:40 p.m. in the Capital View Ballroom at the Pentagon City Quality Inn.

412

**Telephone Conversation With Apollo-Soyuz Test Project
Crews Following Rendezvous and Docking of the
Spacecraft. July 17, 1975**

GENTLEMEN, let me call to express my very great admiration for your hard work, your total dedication in preparing for this first joint flight.

All of us here in Washington, in the United States send to you our very warmest congratulations for your successful rendezvous and for your docking, and we wish you the very best for a successful completion of the remainder of your mission.

Your flight is a momentous event and a very great achievement, not only for the five of you but also for the thousands of American and Soviet scientists and technicians who have worked together for 3 years to ensure the success of this very historic and very successful experiment in international cooperation.

It has taken us many years to open this door to useful cooperation in space between our two countries, and I am confident that the day is not far off when space missions made possible by this first joint effort will be more or less commonplace.

We all look forward to your safe return, and we follow with great interest the success so far, and we look forward to talking with you on Earth again when you do end your flight.

General Stafford, Tom, now that you have had an opportunity to test the new docking system, do you think it will be suitable for future international manned space flight?

BRIG. GEN. THOMAS P. STAFFORD. Yes, sir, Mr. President, I sure do. Out of the three docking systems I have used, this was the smoothest one so far. It worked beautifully.

THE PRESIDENT. About 3½ hours ago I sat here in the Oval Office and watched the docking procedure. It looked awfully simple from here. I am sure it wasn't that simple for the five of you.

Let me say a word or two, if I might, to Colonel Leonov. The docking was a critical phase of the joint mission. Colonel, could you describe it, and would you describe the reaction of the crews on meeting in space after such a long preparation?

COL. ALEKSEI LEONOV. Mr. President, I am sure that our joint flight is the beginning for future explorations in space between our countries. Thank you very much for very nice words to us. We will do our best.

THE PRESIDENT. Colonel, I think you and the other four have done very, very well so far, and may I congratulate you and your associates on this great achievement.

Now, Mr. Slayton, Deke, you have had a very, very long record of distinguished service preparing other astronaut crews for various space missions, and we are extremely pleased to see you on the crew of the first international manned space flight. As the world's oldest space rookie, do you have any advice for young people who hope to fly on future space missions?

Deke, did you have a chance to hear my question?

DONALD K. SLAYTON. No, sir, Mr. President, unfortunately.

THE PRESIDENT. Can I repeat it?

MR. SLAYTON. Tom just repeated it for me, sir.

Well, yes, I have a lot of advice for young people, but I guess probably one of the most important bits is to, number one, decide what you really want to do and then, secondly, never give up until you have done it.

THE PRESIDENT. Well, you are a darn good example, Deke, of never giving up and continuing, and I know it is a great feeling of success from your point of view to have made this flight and to be on board with your four associates.

MR. SLAYTON. Yes, sir.

THE PRESIDENT. Vance Brand, I know that you are still in the Apollo and holding the fort there. It has been my observation that the crews on both sides have worked very hard to learn either Russian on the one hand or English on the other. Has this training period, which is so important, stood the test in the complicated procedures that all of you must execute in this very delicate mission?

VANCE BRAND. Mr. President, I believe it really has. I think in a way our project and, in particular, the training that we have undergone has been sort of a model for future similar projects.

I think it has been a real pleasant experience to work on learning Russian and to be able to work with the cosmonauts, and I think we will have some ideas that would probably help people in the future on similar paths.

THE PRESIDENT. Thank you very much, Vance.

I might like to say a word or two to Valery Kubasov, the other member of the cosmonaut crew. I might say to him, as well as Colonel Leonov, I remember both of you on that enjoyable Saturday last September when both crews visited the White House and joined me in a picnic over in Virginia. We flew from the White House over to this picnic just across the river. We had some crab specialties that I enjoyed, and I think you did.

I am sure you are having a little different menu, somewhat different food on this occasion. What are you having over there out in space?

VALERY KUBASOV. We get good space food. There is some Russian food, some Russian music, some juice, some coffee, and a lot of water—no beer, no crab.

THE PRESIDENT. Well, let me say in conclusion we look forward to your safe return. It has been a tremendous demonstration of cooperation between our scientists, our technicians, and of course, our astronauts and their counterparts, the cosmonauts from the Soviet Union.

I congratulate everybody connected with the flight, and particularly the five of you who are setting this outstanding example of what we have to do in the future to make it a better world.

And may I say in signing off, here is to a soft landing.

MR. KUBASOV. Thank you very much.

GENERAL STAFFORD. Thank you, Mr. President. It certainly has been an honor to serve the country and work here.

THE PRESIDENT. We will see you when you get back.

GENERAL STAFFORD. Yes, sir.

NOTE: The President spoke at 3:37 p.m. from the Oval Office at the White House. The conversation was broadcast live on radio and television.

413

Memorandum on the Combined Federal Campaign.

July 18, 1975

Memorandum for Federal Employees and Military Personnel

The Combined Federal Campaign presents an excellent opportunity for Federal employees and military personnel to demonstrate their traditional generosity, concern and compassion for their fellow citizens.

Many of our citizens and our friends abroad are in need of help. This year the need is greater than ever before. Through the United Way, the National Health Agencies, and the International Service Agencies, we can serve our youth, the aged, the handicapped, the sick, families in need, and refugees—but only if we provide the resources to enable these agencies to carry out their important work. While individually we cannot help all those in need, working together through the voluntary charitable organizations we can channel our concern into meaningful results.

Voluntary charitable organizations are beacons of hope to families and individuals in distress. They deserve the help we can provide through the Com-

bined Federal Campaign. By our participation in the campaign, we can ensure that help is brought quickly and effectively, wherever it is needed.

While the amount you give is a personal, voluntary decision, I hope that each of you will join me in supporting the Combined Federal Campaign to the fullest extent possible.

GERALD R. FORD

414

Remarks on Greeting Delegates to the Annual Girls Nation Convention. July 18, 1975

LET ME first congratulate Alma and Lindy, and let me welcome all of you nationalists and federalists here in Washington, D.C.

Let me congratulate the 100 of you from the 49 States and the District of Columbia. I think it is a wonderful experience for all of you, and I know that the opportunities you have had to come to the White House, to go to the courts, and to go to the Congress have given you a better appreciation of how our Government does work.

I couldn't help but notice that in the 6 hours that you had a congressional session, that you passed 20 bills on the environment and energy and the economy. I hope in your visit up to Capitol Hill you told the Congress how things can get done. [*Laughter*] I hope it's catching.

I have been a member of the American Legion for a good many years, and my wife, Betty, has been a member of the American Legion Auxiliary for a good many years.

We are both proud of the Legion and the Auxiliary, and what they have done for 29 years in having a Girls State, I think, is a tribute to the patriotic efforts that both of those organizations make.

Now, when you are back home, I hope you can convince your fellow citizens in the 49 States as well as the District of Columbia, that the Government needs your help and their help.

We have a lot of problems, but you can, in my judgment, help us solve some of those problems now and obviously in the future. In a few years, all of you will be down here running the place, so help us get it straightened out now so that it will be a better place for you to get things done in the future.

We are proud of you, we welcome you, and we wish you God's blessing.

NOTE: The President spoke at 11:11 a.m. in the Rose Garden at the White House. The American Legion Auxiliary sponsored the annual Girls Nation convention.

In his opening remarks, the President referred to Alma Washburn, president-elect, and Lindy Delaney, vice president-elect, of Girls Nation.

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